

**EATON'S
COMMERCIAL OR MERCANTILE
COLLEGES,**

**ST JOHN, N.B.; HALIFAX, N.S.; AND
CHARLOTTETOWN, P.E.I.**

DESIGNED

TO EDUCATE YOUNG MEN FOR BUSINESS.

EACH COLLEGE IS A
MINIATURE BUSINESS COMMUNITY.

The most Complete Course of Commercial Instruction ever arranged,
embracing

**BOOK-KEEPING
BY SINGLE AND DOUBLE ENTRY,**

Theoretical and Practical, with its applications to Mercantile Business,—
Wholesale, Retail, and Commission, as well as to Manufacturing, Railroad-
ing, Steamboating, Banking, and other Enterprises usually conducted by
Joint Stock Companies; Arithmetic, Penmanship, Spelling, Business
Correspondence, Laws of Commerce, &c.

Our method of teaching Book-keeping imparts a large amount of
valuable information relating to business pursuits. All the Students
engage in

ACTUAL BUSINESS OPERATIONS,

UNDER THE DIRECTION AND SUPERVISION OF

EXPERIENCED AND CAREFUL TEACHERS.

After studying the theory of Book-keeping a short time, they are furnished with a Capital of about \$2000 each, in College funds, consisting of neatly engraved Bank Notes issued by the College Bank, and a quantity of Merchandise with which to begin business, and

BUY,
SELL,
BARTER,
SHIP,

BUY AND SELL ON COMMISSION,
DISCOUNT, &c., &c.

In doing which they draw up and negotiate all kinds of Commercial Paper, such as

NOTES,

CHECKS,

DRAFTS,

BILLS OF EXCHANGE,

RECEIPTS,

ACCOUNTS CURRENT,

ACCOUNTS OF SALES,

INVOICES,

BUSINESS LETTERS,

&c. &c.

Recording and adjusting all in properly prepared Account Books.

Any young man who would ever make a Book-keeper will be qualified for that position on taking a course at either of our Colleges.

No young man should consider his education complete until he has taken such a course.

Diplomas granted to such as pass satisfactory examinations.

Circulars containing full information will be sent free on application to

A. H. EATON, PRINCIPAL,

ST JOHN, N.B.

T. B. REAGH, PRINCIPAL,

CHARLOTTETOWN, P.E.I.

J. C. P. FRAZEE, PRINCIPAL,

HALIFAX, N.S.

TERMS—

For Scholarship, entitling the possessor to full course, time unlimited,

\$50.00

Blank Books, Stationery, &c., only,

10.00

EATON & FRAZEE.

P.S.—Students can enter at any time. No Vacation.

RECOMMENDATIONS
OF
EATON'S COMMERCIAL COLLEGES,

HALIFAX AND ST JOHN.

From Rev. N. McKAY.

THE young men of this city and province possess in this Institution a boon of inestimable value. It is difficult to estimate the advantage to a young man entering commercial life, springing from a thorough course in such an Institution as this. It is not too much to say, that a more thorough and extensive acquaintance with the intricacies of business may be here obtained by moderate application for a few months than is often obtained in the counting-house in a dozen of years. The Institution is not a mere school, in which pupils are drilled in Book-keeping and monetary calculations and Exchange—in the art of penmanship and the conducting of commercial correspondence. It is all this and very much more. It is a miniature mart, in which the pupil personally conducts a genuine trade with all its varying fortunes, and rises or falls according as he masters the science of trade, or fails to do so. In doing this, he enjoys the direction and supervision of gentlemanly teachers, whose interest and aim it is to turn him out a first-class business man. Parents who intend to establish their sons in business, could not possibly do better for them than to give them the benefit of a course in this excellent Institution.

N. McKAY.

From Hon. T. R. JONES.

COMMERCIAL COLLEGE, conducted by A. H. EATON, Esq., I consider unsurpassed for giving youth a thorough commercial education. No young man, who intends to make commercial pursuits his profession, should neglect a course at that Institution. The training is such that a very little actual practice in a merchant's office puts a

RECOMMENDATIONS.

young man at the head of a system that would take years of actual practice without the previous discipline to accomplish.

THOS. R. JONES.

From EVERITT & BUTLER, Esqs., King Street.

A. H. EATON, Esq.,

ST JOHN, N.B., August 22, 1870.

DEAR SIR,—We have much pleasure in testifying to the order of training for commercial pursuits obtained by the young men educated at your College. We have now in our employment one of your graduates, who, notwithstanding the fact that he never had any previous experience, has proved himself a most reliable, accurate, and efficient accountant.

In short, we have no hesitation in saying that your course of training is eminently adapted to make thoroughly efficient business men.

EVERITT & BUTLER.

From T. W. DANIEL, Esq.

ST JOHN, August 22, 1870.

I HAVE personally known Mr A. H. EATON (Principal of the Commercial College in this city) for several years past as a successful commercial teacher, and have much pleasure in bearing testimony to the great usefulness of his Institution in the way of fitting young men for any kind of commercial occupation.

T. W. DANIEL.

From GUILFORD C. MILLER, Boston.

(Attended during Winter of 1869-70.)

I HAVE always had much pleasure in recommending young men of my acquaintance to attend your excellent Institution, although since I left Halifax and the College I have had little opportunity of doing so in Nova Scotia, in consequence of my removal to Boston. I consider it the best Educational Institution in the country for business men, or those desiring to be such, and shall ever rejoice at your success.

Allow me to thank you for your kindness to me while attending your Institution. Believe me, it will ever be remembered with gratitude and pleasure. . . .

I know not where I could have acquired so much useful knowledge in so short a time.

GUILFORD C. MILLER.

RECOMMENDATIONS.

From ERASTUS S. MILLER, formerly of Mt. Hanley, Annapolis Co.,
N.S., now Book-keeper at 741 Washington St., Boston.

(Attended during the Winter of 1869-70.)

I HAVE much pleasure in being able to speak very highly of your Commercial College. Since I left that Institution, I have had some experience in Book-keeping, and find that the knowledge acquired while with you has been of great benefit to me.

The practice of your actual business department has almost completely corrected the habit which I, in common with so many others, had fallen into, of making mistakes in my calculations; while the general knowledge of accounts which I there obtained, has begotten a confidence in my work which I never knew before.

I feel that I have been already repaid for my time and expense in going to Halifax to attend your College. I believe it was the best investment I could have made.

ERASTUS S. MILLER.

From HARRY B. SHAEN, at S. A. White & Co.'s, 75 Upper Water
Street, Halifax.

(Attended during the Summer of 1869.)

HAVING for a few months attended the Commercial College of this city, I cannot refrain from expressing to you my high opinion of its merits.

All the forms of business are so fully explained, all its branches are so successfully explored, and the theory of mercantile transactions is so happily blended with practice, that one cannot attend, even for a short space of time, without obtaining great benefit, if a reasonable amount of time and attention be given to the studies which you so ably direct. I feel myself that I have obtained a groundwork for the future prosecution of business, and will ever consider myself fortunate in having been able to attend the Commercial College.

HARRY B. SHAEN.

EATON & FRAZEE'S
BOOK-KEEPING.

*AN ELEMENTARY TREATISE FOR
THE USE OF SCHOOLS.*

BY

A. H. EATON,

PRINCIPAL OF THE COMMERCIAL COLLEGE, ST JOHN, N.B.

AND

J. C. P. FRAZEE,

PRINCIPAL OF THE COMMERCIAL COLLEGE, HALIFAX, N.S.

HALIFAX, N.S.

A. & W. MACKINLAY.

1876.

BOOK-KEEPING
EATON & FRANKS

THE NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION
100 N. 5TH ST. N.Y.C.

A. H. EATON

E. C. P. HAZEN

W. W. MACKEY
EATON & FRANKS

1892

PREFACE

THE authors of this little work know that the Teachers of Nova Scotia and New Brunswick, and they believe they might extend the remark much farther, have long felt the want of a cheap work on Book-keeping, suitable for use as a text-book in the Public Schools. Such a work, they conceive, should contain a brief and intelligible elucidation of the principles of the science, examples of the principal books used, in order to show the practical application of those principles, and as much practice as can be afforded by a book small enough to bring the price within the reach of all. In the preparation of this work they have been guided by these views.

The frequent applications which the authors have had for such a book induce them to believe that its appearance will be hailed with satisfaction by the teaching profession generally; and they entertain a hope that its contents will be found to commend themselves to the favour of all in need of an elementary treatise on this important subject.

The course of Book-keeping here given is offered only as an initiatory or preparatory course. A complete course, such as would fit the learner to take charge of the books of an extensive mercantile establishment, could not be given in so small a com-

Entered according to Act of Parliament of Canada, in the Year of our Lord One Thousand Eight Hundred and Seventy-one, by A. H. EATON, in the Office of the Minister of Agriculture.

PREFACE.

pass, nor could it be taught, with good results, in a school not specially devoted to that object.

The object aimed at in this work has been, while neglecting to explain no important principle introduced in the course laid down, to afford as much practice as the limits of the work would permit.

Almost all the illustrations consist of continuous business transactions given in proper form in the Day Book, and correctly adjusted in the other books, thus affording the amplest illustrations, and, at the same time, material for extensive practice.

Questions have been appended to most of the explanations, to assist the teacher in testing the knowledge of his classes.

No attempt has been made to explain the manner of journalising or posting from the auxiliary books. The pupil must first receive the preparatory instructions afforded by this book, as it is, before he can understand that, and many other things which could not be included in these pages without greatly extending the limits within which the authors have felt it necessary to confine themselves.

With these explanations, and a belief that the want, which has so long been felt, of a suitable text-book on Book-keeping, is hereby supplied, the work is offered to the public.

CONTENTS.

	PAGE
PREFACE	9
ORDER OF STUDY AND EXERCISES	12
ABBREVIATIONS	14
EXPLANATIONS OF MERCANTILE TERMS	15
INTRODUCTION	19
QUESTIONS FOR EXERCISE	24
SINGLE ENTRY DAY BOOK	25
EXPLANATION OF CASH BOOK	31
QUESTIONS FOR EXERCISE	34
CASH BOOK	36
BILL BOOK	41
DOUBLE ENTRY	44
QUESTIONS FOR EXERCISE	47
DAY BOOK, DOUBLE ENTRY	49
REMARKS ON THE JOURNAL	57
RULES FOR JOURNALISING	60
JOURNAL	63
REMARKS ON THE LEDGER	68
DOUBLE ENTRY POSTING	71
TRIAL BALANCE	72
CLOSING THE LEDGER	72
INDEX TO THE LEDGER	75
LEDGER	89
BALANCE SHEET FOR SINGLE ENTRY	102
GENERAL QUESTIONS	104
EXERCISES IN JOURNALISING	105
ADDITIONAL SET FOR PRACTICE	108
BALANCE SHEET FOR DOUBLE ENTRY	114
APPENDIX	116
STERLING EXCHANGE	116
AMERICAN EXCHANGE	120
MERCANTILE FORMS	122

ORDER OF STUDY AND EXERCISES.

THE following plan of study, to be pursued by the learner, is recommended to the attention of teachers who use this work :—

1. Learn the Abbreviations and Explanations of Mercantile Terms.
2. Study the Introduction till able to answer all the questions annexed thereto.
3. Let those who intend only to learn Single Entry next copy the Single Entry Day Book.
4. Study the remarks on the Cash Book till able to answer all the questions correctly.
5. Copy the Cash Book as far as July 31st, and study the entries, till able readily to distinguish those which have corresponding entries in the Day Book from those which have not.
6. Examine Bill Book, comparing corresponding entries in Day Book.
7. Study the remarks on the Ledger, and trace the entries from the Day Book till the posting is well understood.
8. Post his written copy of the Day Book into his blank Ledger with no aid from the printed book.
9. Prove the posting by means of the Trial Balance as directed.
10. Complete the Balance Sheet, exhibiting assets and liabilities.
11. Close the Ledger as directed.
12. If the work so far has not been satisfactorily performed, go over it again, &c.

If only Single Entry is required, the Double Entry Day Book may be used as a basis for additional exercises—the pupil writing the transactions recorded in that book, in Single Entry form, then posting, as above directed.

If the pupil is to learn Double Entry as well as Single, it will

ORDER OF STUDY AND EXERCISES.

be better for him to learn Double Entry first; let him, therefore, after studying the introductory remarks, proceed at once to the study of Double Entry as follows:—

1. Study the remarks on Double Entry till they are thoroughly understood.
2. Copy the Day Book.
3. Study explanations of Cash and Bill Books.
4. Write up Cash and Bill Book from his own copy of the Day Book, beginning Aug. 1st.
5. Study the remarks on Journal, and the rules for journalising, and examine Journal Entries.
6. Journalise Day Book, first on loose paper, without assistance from the printed book, and when correctly done copy into the Journal.
7. Study the remarks on Double Entry Posting, and trace the entries from the Journal to the Ledger till the manner of posting is well understood.
8. Post the Journal as directed.
9. Study the remarks on the Trial Balance.
10. Get out Trial Balance.
11. Make out Balance Sheet.
12. Study the remarks on Closing the Ledger.
13. Close the Ledger according to directions given.
14. Study General Questions.
15. Copy appended Day Book for additional exercise, journalise and post, &c., in the same manner.

NOTE.—Properly ruled blank books, prepared expressly to be used with this text-book, may be had of the bookseller from whom this book was bought.

BOOK-KEEPING.

ABBREVIATIONS.

The following abbreviations are frequently used:—

<i>a/c</i> or <i>acct.</i> . . . Account.	<i>Gal.</i> . . . Gallon.
<i>Acc.</i> . . . Accepted.	<i>Hhd.</i> . . . Hogshead.
<i>&</i> . . . And.	<i>I. B.</i> . . . Invoice Book.
<i>&c.</i> . . . And so forth.	<i>Int.</i> . . . Interest.
<i>@</i> . . . At.	<i>Inst.</i> . . . Instant, the present month.
<i>Amt.</i> . . . Amount.	<i>£ s. d.</i> . . . Pounds, shillings, pence.
<i>Bal.</i> . . . Balance.	<i>lbs.</i> . . . Pounds weight.
<i>B. B.</i> . . . Bill Book.	<i>Mdsc.</i> . . . Merchandise.
<i>Bbl.</i> . . . Barrel.	<i>Mo. Mos.</i> . . . Month, Months.
<i>B/p.</i> . . . Bill of Parcels.	<i>N. A.</i> . . . New Account.
<i>c.</i> . . . Cent.	<i>No.</i> . . . Number.
<i>C. B.</i> . . . Cash Book.	<i>N. P.</i> . . . Net proceeds.
<i>Co.</i> . . . Company.	<i>%</i> . . . Per cent.
<i>Const.</i> . . . Consignment.	<i>O. A.</i> . . . Old Account.
<i>Cr.</i> . . . Creditor.	<i>Pcs.</i> . . . Pieces.
<i>Cwt.</i> . . . Hundredweight.	<i>Pd.</i> . . . Paid.
<i>Dft.</i> . . . Draft.	<i>Prem.</i> . . . Premium.
<i>Disc't.</i> . . . Discount.	<i>Prox.</i> . . . Proximo, the next month.
<i>\$</i> . . . Dollar or Dollars.	<i>Qrs.</i> . . . Quarters of a Cwt.
<i>Ditto, Do.</i> . . . The same.	<i>Rec'd.</i> . . . Received.
<i>" "</i> . . . The same.	<i>S. B.</i> . . . Sales Book.
<i>Dr.</i> . . . Debtor.	<i>Sgt.</i> . . . Sight.
<i>Doz.</i> . . . Dozen.	<i>Stg.</i> . . . Sterling.
<i>E. & O. E.</i> . . . Errors and Omissions Excepted.	<i>Ult.</i> . . . Ultimo, last month.
<i>Exch.</i> . . . Exchange.	<i>Yds.</i> . . . Yards.
<i>f.</i> . . . Franc.	
<i>Frt.</i> . . . Freight.	

MERCANTILE TERMS.

EXPLANATIONS OF MERCANTILE TERMS.

- ABATEMENT.** A discount or allowance for prompt payment or other reason.
- ACCOUNT CURRENT.** A statement of the particulars of an account.
- ACCOUNT SALES.** A statement made by a consignee to his consignor, showing the names of the parties to whom the goods were sold, the price, time, charges, and net proceeds.
- ADVICE.** Information or intelligence. *To advise* is to inform or give notice to.
- ASSETS.** The property of all kinds belonging to a person, firm, or corporation, including the debts due them.
- ASSIGNEE.** A person appointed to manage the affairs of a bankrupt.
- BALANCE.** The difference between the Dr. and Cr. sides of an account. To balance an account is to make the two sides equal by writing the difference on the smaller, and adding both up.
- BILL OF ENTRY.** A statement of the particulars of goods entered at the Custom House.
- BILL OF EXCHANGE.** A written order for the payment of money drawn in one place and payable in another.
- BILL OF LADING.** A receipt for the goods intrusted to the care of the master of a ship, given by him to the shipper, by which he agrees to deliver the goods at a certain place in good order on the payment of a certain sum as freight. There are generally three copies made, one of which is kept by the master, one by the shipper, and the other sent to the consignee, by which he acquires the right to receive the goods. Bills of Lading are transferable by indorsement—the right to receive the goods being transferred with them.
- BILL OF SALE.** A contract under seal, by which a person conveys to another his right to goods and chattels.

BOOK-KEEPING.

- BILLS PAYABLE.** Written promises to pay money given by an individual or firm.
- BILLS RECEIVABLE.** Written promises to pay money held by an individual or firm against others.
- BONDED GOODS.** Imported goods deposited in a Government warehouse until duty is paid—a bond being given by the importer for the duty.
- BOTTOMRY BOND.** A mortgage on a ship given in security for money borrowed by the owner or master to enable him to prosecute a voyage. If the ship be lost, the lender loses his money.
- BULLION.** Uncoined gold or silver in mass.
- CLEARANCE.** A document from a Custom House officer, or other qualified person, permitting a ship to depart on her voyage.
- COMMISSION.** A percentage allowed to agents or factors for doing business for others.
- COMPOSITION.** An arrangement between an insolvent debtor and his creditors, by which the latter accept of a *part of the debts* for the whole.
- CONSIGNEE.** A person to whom goods are consigned.
- CONSIGNMENTS.** Goods received by one person or house to be sold for the account of another—the seller being allowed a commission, so much per cent. for his trouble.
- CONSIGNOR.** The shipper, or he who sends a consignment.
- DIVIDEND.** A sum to be divided. It may be the gain of a joint stock company to be divided among the stockholders, or the property of an insolvent debtor to be divided among the creditors. It is usually expressed by so much per cent.
- DRAFT.** An order for money on a banker or other person, to be paid on demand or at a specified time, to another person or his order.
- INDORSER.** One who writes his name on the back of a promissory note, or bill of exchange, and thus becomes responsible for its payment.
- INDORSEMENTS** are either general or special. A general indorsement, or "indorsement in blank," is merely the name of the indorser without any other words. A special indorsement is a direction signed by the indorser to pay to the order of some particular person.

MERCANTILE TERMS.

INSOLVENT. Bankrupt; unable to pay one's debts in full.

INTEREST. Commonly a premium paid for the use of money; more properly, the use of money.

INVOICE. A bill of parcels, accompanying goods imported, or sent with goods exported.

NET PROCEEDS. What is left from the sale of goods after all charges have been deducted.

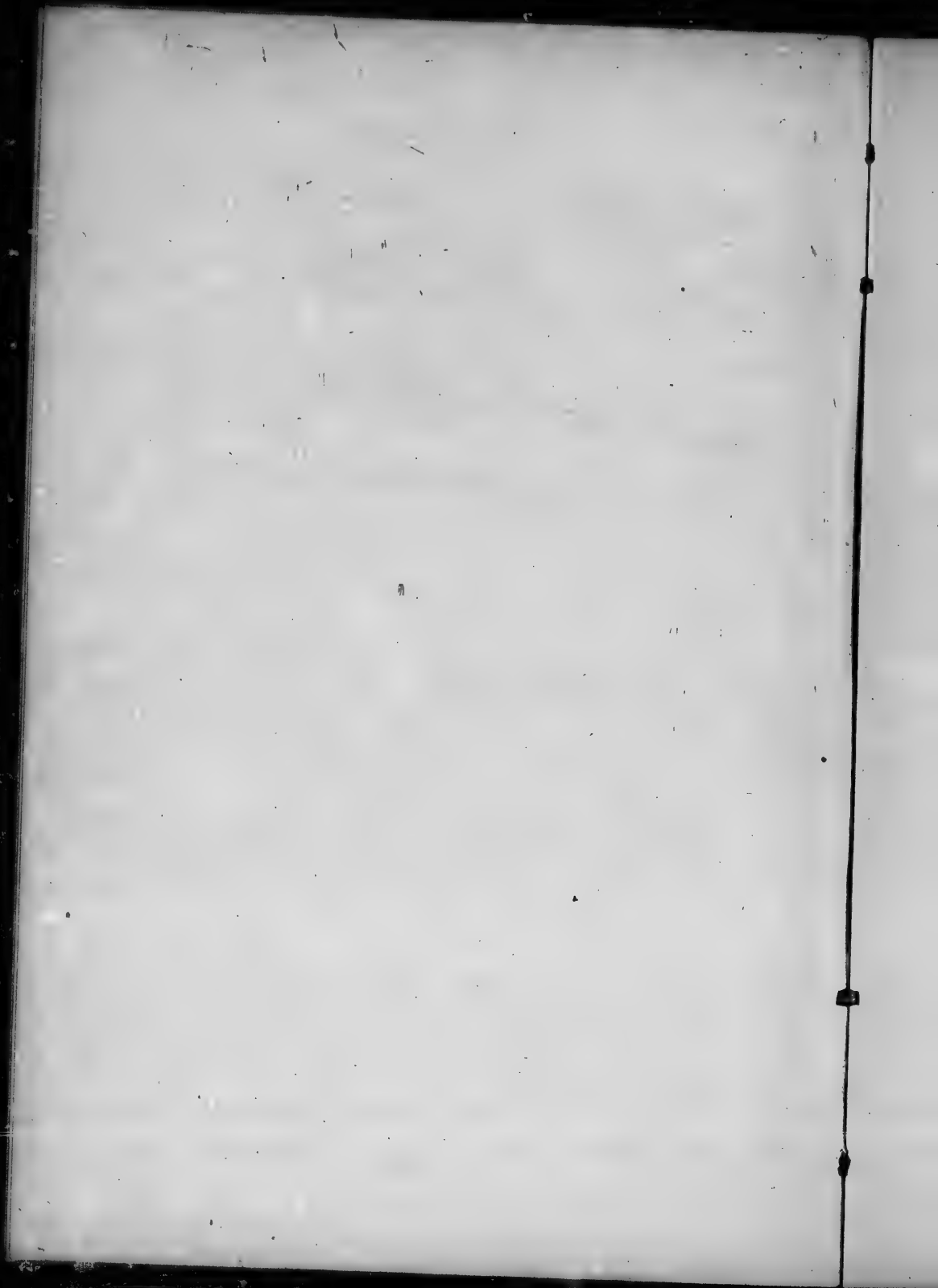
RECEIPT. A written acknowledgment of having received a sum of money, or other value.

REMIT. To send money to a person at a distance.

REMITTANCE. Money sent to a person at a distance.

STORAGE. A charge made for warehousing goods.

VOUCHER. A receipt or acquittance as evidence of payment.



INTRODUCTION.

BOOK-KEEPING is the science of accounts, and consists of a systematic arrangement and adjustment of the records of business transactions.

Single Entry Book-keeping has for its object principally the keeping of correct and systematic running accounts with the individuals with whom we deal on credit.

A running account is a concise statement or plan of a person's business transactions with us, supposing we are keeping the account, and shows, on its debit side, the particulars of the property or property's worth which that person has got from us, and, on its credit side, the particulars of what we have got from him, with the dates of all the transactions.

Every business man who keeps a regular set of books, has one in which he enters an account for each person with whom he deals on credit. This book is called the

LEDGER,

and as it is the principal book used, we must try to explain it more fully. We do this here, in order that the learner may the more readily understand the use of the other books into which the entries are generally made with a view to their final adjustment in the Ledger.

Let us suppose that on January 2d, 1870, John Smith bought of you merchandise, that is, some kind of goods, worth altogether \$44.26; that on February 4th he paid you cash \$20, and gave you merchandise worth \$13.50; that on March 15th he gave you another lot of merchandise worth \$11.20; and that on April 20th he got from you merchandise worth \$9.40.

Now, if you and Jno. Smith settle on or after April 20th, you find how your account with him stands, thus:—

BOOK-KEEPING.

John Smith got from you, Jan. 2d, 1869, mdse. worth	.	.	.	\$44 26
" " Apr. 20, " "	.	.	.	9 40
" " altogether	.	.	.	<u>\$53 66</u>
You got from John Smith, Feb. 4, 1869, cash	.	.	\$20 00	
" " mdse. worth	.	.	13 50	
" " Mar. 15, " "	.	.	11 20	
" " altogether (subtract)	.	.	.	<u>\$44 70</u>
Balance John Smith owes you	.	.	.	<u>\$8 96</u>

John Smith got from you more than you got from him, and you find how much more by subtracting the amount of what you got from him from the amount of what he got from you. You find the remainder to be \$8.96, which John Smith must pay you to make you square.

Now these transactions, and all others of a similar kind, are so arranged in the Ledger, that it is very easy, after they are entered there, to find, at any time, how your account with any person stands—whether he owes you, or you him, and how much. Let us put these entries into an account as they would appear in the Ledger, and see how they look.

The following is the form in which the Ledger is generally ruled:—

DR.				JOHN SMITH.				CR.			
1870				\$	c.	1870		\$	c.		
Jan'y	2	To Mdse.	1	44	26	Feb'y	4	By Sundries	1	33	50
April	20	" do.	1	9	40	Mar.	15	" Mdse.	1	11	20
						April	30	" Balance		8	96
				53	66					53	66

The page is divided into two equal parts by a double line, as you see here, over which you write John Smith, to show whose account it is, and, to the left, Dr., which means debtor, and, to the right, Cr., which means creditor. Now since John Smith bought goods from you, and did not pay you for them at the time, he got into your debt, or became your debtor; you therefore put the values of those things which he got from you on the left hand, or debit side, as it is called. And when you got things from him, you got into his debt, or he got out of yours,

INTRODUCTION.

which is the same thing, for the value of them, and he became your creditor, you therefore put the values of those things which you got from him on the right hand or credit side.

The date of each transaction should be correctly and plainly written in the left hand columns of either side, the number of the year to be placed at the top, and inserted again whenever there is a change. In the broad space in the middle of each side you write the description of articles received or parted with; in the next column to the right, the page of the Day Book from which the entry is taken; and, lastly, the amounts in dollars and cents.

In a very small business, and where the articles bought and sold are not of many different kinds, such entries as these might be all that would be required; and a person might keep his accounts pretty well with no other book than the Ledger. But where the articles dealt in are of many different kinds, or where a person deals with many different individuals, it becomes necessary to use what is usually called a Day Book, in which the business done is first written down, and from which it is afterwards transferred to the Ledger, in the form of the account exhibited above. The business transactions of which we have been talking would be written in the Day Book in the following form, supposing the articles to be such as mentioned below:—

HALIFAX, January 2d, 1870.

		Dr.		Cr.	
		\$	c.	\$	c.
JOHN SMITH,	Dr.				
To 20 yds. Factory Cotton . . .	@ 15c.,	\$3.00			
" 12 " Bleached " . . .	@ 18c.,	2.16			
" 10 " Canadian Tweed . . .	@ 65c.,	6.50			
" 1 pair Boots		3.50			
" 2 lbs. Tea	@ 50c.,	1.00			
" 25 " Sugar	@ 10c.,	2.50			
" 30 " Nails	@ 5c.,	1.50			
" 1 Narrow Axe		1.10			
" 1 Cooking Stove		23.00			
		44	26		

John Smith bought these articles from you, and did not pay you for them at the time; he therefore got into your debt. You, therefore, write Dr. to the right of his name next the money columns. John Smith's name is written to the left, at the beginning of the line; and you put down carefully, after the

BOOK-KEEPING.

word "To," all the different articles, with the price per yard, pound, &c., and the whole price carried out correctly next the money columns. When all are down, the whole must be added up, and the total carried into the money column headed Dr.

It was necessary that all the articles that John Smith got from you should be put down somewhere, so that, when you came to settle with him, you could tell him, if he wished you to, or, if he disputed the correctness of your bill, exactly the articles he got from you, and the price of each. If you were to put them all down in your Ledger, they would take up a great deal of room there, and, besides, encumber your Ledger with a great many small sums, so that in a short time you would have long columns of figures to add up, in which you would be very likely to make some mistakes. To avoid this, we write down all the different articles in the Day Book, and carry the whole sum afterwards into the Ledger. Look back to the Ledger example on page 20, and see again how the entry is made there.

The next entry is this:—

February 4th, 1870.				Dr.		Cr.	
JOHN SMITH,							
By Cash				\$	c.	\$	c.
,, 30 bush. Oats . . . @ 45c.,						33	50
		Cr.					
		\$20.00					
		13.50					

These articles you got from John Smith, and owe him for them. He is, therefore, your creditor, and you write Cr. to the right of his name, as you wrote Dr. before, and you carry the whole sum out in the column headed Cr. See the Ledger entry, page 20. Again,

March 15.				Dr.		Cr.	
1 JOHN SMITH,							
By 56 lbs. Butter, @ 20c., . . .				\$	c.	\$	c.
		Cr.				11	20

Here again you bought from John Smith, and you make him Cr., as before. As there is only one item, viz., 56 lbs. Butter, you carry the whole price, after stating the price per pound, at

INTRODUCTION.

once into the proper money column. See the Ledger entry page 20. Again,

<i>April 20.</i>		Dr.		Cr.	
1	JOHN SMITH,	Dr.	\$	c.	\$ c.
	To 1 Felt Hat	\$1.90			
	„ 1 bbl. Flour	7.50	9	40	

John Smith bought these articles from you, and is therefore Dr., as in the first entry. Observe, John Smith may have bought other goods from you at other times, and paid for them at the time he bought them, and no entry need be made in your Day Book, or Ledger, at all. When a person buys an article and pays for it at the time, or sells anything and is paid at the time, no person gets into debt, and therefore no entry need be made; unless he wish particularly to remember the transaction, when he may both debit and credit the party for the same amount.

The word "Sundries," in Single Entry Book-keeping, generally means several things or articles, and is used in the Ledger for the sake of brevity. Where the articles are all of the same kind, as several items of merchandise, it is better to use the word that expresses the description of articles meant. But where the articles are of different classes, as in the entry under February 4th, we use the word "Sundries" in the Ledger.

The figure 1 to the left of each of the above Day Book entries, refers to the page of the Ledger on which John Smith's acct. will be found. These figures are made at the time of making the entries into the Ledger, which is called posting.

By referring to the Ledger example you will see figures in a small column to the left of the money columns there. These refer to the pages of the Day Book from which the entries are taken, and are also made at the time of posting.

In the arrangement of the foregoing examples, the date has been put in the middle of the page, and the references to the Ledger on the left. This is the practice of some book-keepers. Others, again, write the date to the left, and the references to the Ledger in a small column next the money columns, as is done in the regular Day Book, commencing on page 26.

BOOK-KEEPING.

Some authors on Book-keeping recommend the use of the word "For" instead of "To" and "By" in single entry, both in the Day Book and Ledger, on the ground that the latter words, as used in single entry, are ungrammatical. But, although this position is conceded, as "To" and "By" are almost universally used by book-keepers, and are not at all likely to be discontinued, we have thought it best, in this work, to adhere to the usual form of expression.

QUESTIONS FOR EXERCISE.

What is Book-keeping?

In what does it consist?

What is the object of single entry Book-keeping?

What is a running account?

What does it show on the Dr. side?

What does it show on the Cr. side?

Must every entry be dated?

What is the principal book used in Book-keeping?

What is kept in it?

With what view are the entries in the Day Book made?

How do you find whether a person owes you, or you him, and how much?

How do you "square off" with the person?

Ans.—You must pay him the difference, if it be against you, or he must pay you the difference, if it be against him.

What do you write over an account?

How did John Smith get into your debt?

On which side of his account do you put the values of such things?

How did you get into John Smith's debt?

What is the same thing as getting into a man's debt?

Ans.—His getting out of yours.

On which side do you put the values of things you get from him?

Could a person keep his accounts with only a Ledger?

What other book is generally necessary?

Why is John Smith Dr. for the first entry?

SINGLE ENTRY DAY BOOK.

Where is John Smith's name written?

Where is Dr. written?

Where do you place the different sums which go to make up the total amount?

In which column is the total amount placed?

Why do you not put into the Ledger all the different articles that he bought?

In the next entry, why is John Smith Cr.?

In which column do you put the whole amount?

When do you carry the amount at once into the proper money column?

Might you and John Smith have had dealings which need not have been entered in the Day Book or Ledger at all?

Ans.—Yes, if the articles bought or sold were paid for in full at the time.

What would you do if you wished particularly to remember such transactions?

What does the word "Sundries" mean in single entry Book-keeping?

Why is it used?

Do you use the word if the articles meant are all of the same kind?

What do the figures to the left of the Day Book entries refer to?

When are they made?

What is making entries into the Ledger called?

What do the figures in the small column to the left of the money columns in the Ledger refer to?

When are they made?

SINGLE ENTRY DAY BOOK.

The following Day Book has been arranged in the form which the authors believe to be the best calculated to insure accurate and intelligible book-keeping, while very little, if any, sacrifice of time is required to attain that desirable end. The learner should copy it in a neat, legible hand, taking care to place no figures in the money columns except the sums intended to be transferred to the Ledger.

The teacher should recollect that neatness and accuracy, equally with obtaining an intellectual knowledge of the science, are the objects to be aimed at; and that no pupil should be permitted to proceed to posting, until he has written the Day Book in a satisfactory manner.

The references to the Ledger should be omitted in the copying, and inserted by the pupil at the time of posting.

ST JOHN, May 1st, 1871.

			\$	c.	\$	c.
1870	May 1	A. H. EATON and J. C. P. FRAZEE have this day entered into co-partnership under the name and style of EATON & FRAZEE, for the purpose of carrying on a general dry goods and grocery business. Gains or losses to be shared equally.				
		A. H. EATON invests,				
		Cash	\$2000.00			
		100 bbls. Flour @ \$6 per bbl.	600.00			
		Magee Brothers owe him	400.00			
		Geo. Thomas owes him	500.00	3500.00		
		J. C. P. FRAZEE invests,				
		Cash	\$2500.00			
		R. T. Muir owes him	400.00			
		Burns & Murray owe him	500.00	3400.00		
	" "	A. H. EATON,				
		By his net capital as above		CR.		
					3500	00
	" "	J. C. P. FRAZEE,				
		By his net capital as above		CR.		
					3400	00
	" "	Magee Brothers,				
		Geo. Thomas,		DR.	400	00
		R. T. Muir,		"	500	00
		Burns & Murray,		"	400	00
		To balances against them, per above statement.		"	500	00
	" 5	J. HUNT,				
		By his bill for work on store		CR.		
						85 00
	" "	J. S. TURNER,				
		To 20 bbls. Flour @ \$7.00		DR.		
					140	00
May 1	J. S. TURNER,					
	By Cash per C. B., f. p. 1			CR.		
						80 00

SINGLE ENTRY DAY BOOK.

2

ST JOHN, N.B.

1870				\$	c.	\$	c.
May	8	DANIEL & BOYD, By their Inv. (No. 1) of Dry Goods	CR.				
		To Cash paid them per C. B., p. 2	DR.	1500	00	2000	00
"	10	J. HUNT, To goods supplied A. B. Capp, per his order	DR.				
		" " G. Jost, " "		65	00		
"	12	LOGAN & LINDSAY, By their Inv. (No. 2) of Groceries	CR.			1800	00
		To Cash paid them per C. B., p. 2	DR.				
		" our Note (No. 1) at 3 mos.		1200	00		
"	15	T. R. JONES, To 20 lbs. Tea @ 70c.	DR.				
		" 1 bbl. Sugar, 200 lbs. @ 15c.					
		" 1 " Flour		52	00		
"	20	DUFFUS & Co., To 8 bbls. Flour @ \$7.50	DR.				
		" 5 " Sugar, 1000 lbs. @ 14c.					
		" 2 chests Tea, Y. H., 120 lbs. @ 80c.					
		" 3 bbls. Apples @ \$4.00		308	00		
		By Cash per C. B., p. 1	CR.				
		" their Order on Douli & Millier				268	00
"	25	DOULE & MILLER, To above Order from Duffus & Co. remitted on acct.	DR.	88	00		
"	"	L. C. EATON, To 1 bbl. Flour	DR.				
		" 5 lbs. Sugar @ 15c.					
		" 6 " Tea @ 50c.					
		" 20 " Rice @ 5c.		12	25		
"	29	MAGEE BROTHERS, By Cash per C. B., p. 1	CR.			250	00
"	31	A. H. EATON, To Cash per C. B., p. 2	DR.	60	00		
"	"	J. C. P. FRAZEE, To Cash per C. B., p. 2	DR.	75	00		

(27)

BOOK-KEEPING.

ST JOHN, N.B.

1870									
June									
1	BURNS & MURRAY,								
	To 28 yds. Black Silk @ \$3.25 . . .	DR.							
	" 32 " Factory Cotton @ 20c. . .		\$91.00						
	" 12 pairs Woollen Blankets @ \$5.50 . .		6.40						
	" 1 suit Broadcloth . . .		86.00						
	" 3 pairs long Boots @ \$5.00 . . .		30.00						
			15.00						
			208 40						
	By Cash on acct. per C. B., p. 1 . . .	CR.							
								108 40	
"	5 DANIEL & BOYD,								
	To Cash paid them on acct. per C. B., p. 2	DR.							
			400 00						
"	" GEO. THOMAS,								
	By Cash rec'd on acct. per C. B., p. 1 . .	CR.							
								200 00	
"	8 J. & A. M'MILLAN,								
	By their Inv. of Stationery (No. 3) . . .	CR.							
								235 00	
	To our Note @ 2 mos. (No. 2), per B. B. .	DR.							
			200 00						
"	10 LAWTON & VASSIE,								
	To 8 quires Foolscap @ 20c. . .	DR.							
	" 2 boxes Spencerian Pens @ 80c. . .		\$1.60						
	" 1 Eaton's Commercial Arith. . .		1.60						
	" 4 doz. Penholders @ 15c. . .		1.50						
			.60						
			5 30						
"	15 J. S. TURNER,								
	To our Order on L. C. Eaton . . .	DR.							
			82 25						
"	" L. C. EATON,								
	By our Order in favour of J. S. Turner . .	CR.							
								82 25	
"	20 J. HUNT,								
	To Cash paid him in full per C. B., p. 2 . .	DR.							
			20 00						
"	" DOULL & MILLER,								
	To 10 bbls. Flour @ \$7.00 . . .	DR.							
	" 6 " Apples @ \$3.00 . . .		\$70.00						
	" 4 " Sugar, 800 lbs., @ 15c. . .		18.00						
	" 4 half chests Tea @ \$10.00 . . .		120.00						
	" 10 bbls. Potatoes @ \$3.00 . . .		40.00						
			30.00						
			278 00						
"	21 MAGEE BROTHERS,								
	To 5 bbls. Flour @ \$6.50 . . .	DR.							
	" 4 " Apples @ \$4.25 . . .		\$32.50						
	" 2 " Sugar @ \$30.00 . . .		17.00						
	" 60 lbs. Tea @ 60c. . .		60.00						
	" 40 lbs. Coffee @ 20c. . .		36.00						
			8.00						
			153 50						
	By their Note @ 3 mos. (No. 1) per B. B. .	CR.							
								105 00	

SINGLE ENTRY DAY BOOK.

4

ST JOHN, N.B.

a.	\$	c.				\$	c.	\$	c.
			1870						
			June 24	BURNS & MURRAY,	CR.				
				By Cash per C. B., p. 1	\$85.00				
				" their Note @ 1 mo. (No. 2) per B. B.	75.00			160 00	
8 40			" "	T. R. JONES,	CR.				
				By his Inv. of Dry Goods (No. 4)				400 00	
108 40				To Cash per C. B., p. 2	DR.				
				" our d't on R. T. Muir @ 2 mos.	\$200.00				
0 00					150.00	350 00			
			" "	R. T. MUIR,	CR.				
				By above d't in favour of T. R. Jones				150 00	
200 00			" 28	LAWTON & VASSIE,	DR.				
				To 20 suits ready-made Clothing @ \$15.00	\$300.00				
235 00				" 3 cloth Overcoats @ \$20.00					
				" 15 silk Hats @ \$3.00	60.00				
00				" 20 pairs Boys' Boots @ \$4.00	80.00				
				" 10 yards Silk Velvet @ \$6.00	60.00	545 00			
				By Cash per C. B., p. 1	CR.			500 00	
30			" 30	LOGAN & LINDSAY,	DR.				
				To Cash paid them on acct. per C. B., p. 2		300 00			
25			July 1	F. S. SHARP,	DR.				
				To 6 bbls. Flour @ \$8.00	\$48.00				
82 25				" 8 " Apples @ \$3.00	24.00				
				" 10 " Potatoes @ \$2.00	20.00				
				" 80 lbs. White Sugar @ 10c.	8.00				
00				" 60 " Tea @ 80c.	48.00				
				" 75 " Butter @ 20c.	15.00	163 00			
			" "	DANIEL & BOYD,	CR.				
				By their Inv. of Dry Goods (No. 5)				750 00	
0			" 5	T. R. JONES,	DR.				
				To 28 yds. Black Silk @ \$2.00	\$56.00				
				" 32 " Factory Cotton @ 20c.	6.40				
				" 6 pairs Woollen Blankets @ \$5.00	30.00				
				" 1 suit Blue Broadcloth	30.00				
				" 3 pairs long Boots @ \$6.00	18.00	140 40			
				By Cash per C. B., p. 1	CR.			120 40	
105 00			" 6	F. S. SHARP,	CR.				
				By Cash rec'd on acct. per C. B., p. 1				100 00	

BOOK-KEEPING.

ST JOHN, N.B.

			Dr.		\$	c.	\$	c.
1870	July 8	J. S. TURNER,						
		To 18 bbls. Flour @ \$10.00	Dr.					
		" 16 " Apples @ \$4.00		\$180.00				
		" 12 " Potatoes @ \$2.00		64.00				
				24.00				
		By Cash per C. B., p. 1	Cr.		268	00		
								168 00
	" 10	L. C. EATON,						
		To 9 yds. Scotch Tweed @ \$1.25	Dr.					
		" 12 " Canadian " @ \$1.10		\$11.25				
		" 20 " White Flannel @ \$1.15		13.20				
		" 1 suit fine Broadcloth		23.00				
		" 1 fine Overcoat		38.00				
				20.00				
					105	45		
	" 12	DANIEL & BOYD,						
		To Cash paid them on acct. per C. B., p. 2	Dr.					
					313	00		
	" 15	MAGEE BROTHERS,						
		To Cash paid them on acct. per C. B., p. 2	Dr.					
					300	00		
	" 20	BURNS & MURRAY,						
		By their Inv. of Dry Goods (No. 6)	Cr.					
							1800	00
	" 25	LAWTON & VASSIE,						
		By their Invoice (No. 7)	Cr.					
							1140	80
		Inventory of Mds.		\$6500				

CASH BOOK.

CASH BOOK.

EVERY business should have a well-kept Cash Book. The one annexed illustrates the entries for the receipts and payments of money supposed to have taken place in the business transactions described in this work.

On the left hand side, under the head of "Cash Received," are recorded all sums of money received by us from others, with explanations of what they were received for. In the column headed "Ledger Title," is written the name of the account which would be credited for each sum if it were entered into the Ledger.

On the right hand side are all sums paid out by us, with an explanation of each payment; and in the column headed "Ledger Title," the name of the account in the Ledger to be debited for the same.

As only personal accounts, that is, accounts with persons, are used in Single Entry, only those sums opposite the names of *persons* or *firms* in the Cash Book up to the end of July will be found in the Ledger; but in these cases the "Ledger Title" invariably indicates the account in the Ledger in which the corresponding sum has been entered. Compare and see.

The "Ledger Titles" are of no special use in Single Entry, or even in Double Entry, unless the Cash Book is either journalised or posted, further than that they enable one to detect any particular entry he may be in search of with greater readiness than he could without them. They might, therefore, be omitted. But as they must be used when this book is either journalised or posted, and many use it in this way, it is better that the pupil should learn to keep his Cash Book in the form here given.

Let us examine some of the entries. The first is that for \$2000 invested by A. H. Eaton. It is money received, and therefore is placed on the left hand side. The date is written in the columns for that purpose. Then, under the head of

BOOK-KEEPING.

"Ledger Title" we write A. H. Eaton, because his account should be credited for the sum in the Ledger. See A. H. Eaton's account. We then write under the head of "Paraphrase," "Rec'd his investment," thus explaining what the money was received for; and the amount in the proper money column. The next entry is for the amount invested by J. C. P. Frazee, and is, of course, entered in a similar manner. The next is for \$80 received from J. S. Turner. After the date write J. S. Turner as "Ledger Title," for the usual reason, viz., it is the account in the Ledger credited for the sum (see his account); and in the paraphrase explain, "Rec'd from him on acct.," and place the sum in the money columns. The next entry is for the amount received during the week ending May 6th for cash sales. For this entry we write Mdse. for "Ledger Title." In Single Entry this amount is not entered into the Ledger at all; but in Double Entry the Mdse. account would be credited for the sum, and this is the reason why Mdse. is used as "Ledger Title." This the pupil will understand better when he has been made acquainted with the principles of Double Entry.

The Cash Book should be balanced at the end of each month. In business it might be necessary to balance it weekly, or even daily, if the entries were very numerous. In balancing, ascertain the sum of each side, and subtract the sum of the credit side from that of the debit side, and enter the difference on the credit side, in red ink, with the words "Balance on hand." The two sides will then be equal. Then rule and enter the equal sums on the same horizontal line, in the form given in this book.

As it is impossible to pay out more money than has been received, the credit side can never exceed the debit, unless by mistake. The balance, at any time, should exactly tally with the amount of money found on hand by counting. If it should not so agree, the book-keeper may be sure that an error has been made, either in counting the money, or in his entries in the Cash Book, which must be rectified before the balance is entered. In every case, the balance entered must be exactly the amount of money on hand.

The pupil should copy the Cash Book as far as the end of July; but the teacher should see that he thoroughly understands all the entries; that he is able to tell, from his own

CASH BOOK.

researches, what entries are found in the Ledger and what are not, and why. For instance, the entry of May 6th, on the debit side, is not in the Ledger. No person requires to be credited for that sum, because we give an equivalent for it *at the time it was received*. Again, the two entries of May 12th, credit side, are not in the Ledger, because for the first we received an equivalent in labour, *at the time*, from the truckman; and for the second we received an equivalent in goods, also *at the time the payment was made*.

The Cash Book, after the first of August, belongs to the Double Entry set, and the entries are all obtainable from the Double Entry Day Book. As it is kept in the same form as that for Single Entry, the pupil, after having examined it, should write it from his Day Book without the aid of the copy here given. If he should not do it well at first he should go over it again, and so on till he does. Let the paraphrases or explanations on the "Cash Received" side always begin with the word "Rec'd;" and those on the "Cash Disbursed" side with the word "Paid." The explanations should be as brief as possible, but perfectly explicit. No circumstance which it might be important to remember should ever be omitted.

QUESTIONS FOR EXERCISE.

- What are recorded on the left hand side of the Cash Book?
- What are written in the column headed Ledger Title?
- What are recorded on the right hand side?
- What are written in the column headed Ledger Title?
- What sums entered in the Cash Book for Single Entry are found in the Ledger?
- Are the Ledger Titles of any special use in Single Entry?
- In what cases are they indispensable in Double Entry?
- Why is the first entry placed on the Dr. side?
- Where is the date written?
- What is written under the head of "Ledger Title?"
- Why?
- Is this sum (\$2000) found in A. H. Eaton's acct.?
- On which side?
- What is the paraphrase in this entry?
- Is the next entry entered in a similar manner?
- Why?
- What is the third entry?
- What is the Ledger? and why?
- What is the paraphrase for this entry?
- What is the fourth entry?
- What is the Ledger Title? and why?
- Is this amount found in the Ledger?
- Why?
- How often should the Cash Book be balanced?
- Describe the process of balancing?
- Is it allowable to rule one side higher up the column than the other? **ANS.**—No; on the same horizontal line.
- Why can the Cr. side never exceed the Dr. side?
- With what should the balance exactly tally?
- If it does not, what then?
- What amount must always be entered as the balance?

CASH BOOK.

Is the entry for May 6th found in the Ledger?

Why?

Is either of the entries of May 12th found in the Ledger?

Why, as regards the first?

Why, as regards the second?

NOTE.—The teacher should continue asking questions of this sort through all the entries, or nearly.

From what book are all the entries in the Cash Book after the first of August obtainable?

With what word should the paraphrase on the Dr. side always begin?

On the Cr. side?

What should be the character of the explanations?

(36)

NDRIES.

00	00
00	00
80	00
30	00
50	00
6	59
6	59
4	09
8	40
0	00
5	00
	00
	06
	55
15	
40	
00	
00	
00	
45	
00	

BOOK-KEEPING.

CASH RECEIVED.

1870	LEDGER TITLE.	PARAPHRASE.	MDSE.		SUM'S.	
			\$	c.	\$	c.
Aug.	2 Mds.	Balance brought forward.....			2387	50
"	4 R. T. Muir.....	Rec'd in full for goods sold J. S. Cooper	320	00		
"	" Magee Brothers.....	" from him on acct.....			103	00
"	" Doull & Miller.....	" " them ".....			160	00
"	12 Bills payable.....	" " " ".....			228	00
		" on loan from Jardine & Co.....			4000	00
		Merchandise.....	320	00	320	00
					7198	50
Sep.	2 Bauld, Gibson & Co.	Balance brought down.....			3807	50
"	6 Interest.....	Rec'd from them per d'ft on College Bk.			800	00
"	13 Geo. Thomas.....	" on note No. 5.....			16	00
"	17 Mds.	" from him on acct.....			35	00
"	20 G. Bent.....	" " L. C. Eaton for goods sold him	26	80		
"	24 Bills Rec'ble.....	" per check on Bank of N. B.....			700	00
"	29 Mds.	" paym't of note No. 1.....			105	00
		" from Black Bros. & Co., Halifax, per P. O. order.....	11	75		
		Merchandise.....	38	55	38	55
					5002	05
Oct.	6 G. Bent.....	Balance brought down.....			744	05
"	15 Jardine & Co.....	Rec'd from him on J. R. Curry & Co's const.			515	00
"	20 Ship't to Halifax..	" from them on J. R. Curry & Co's const.			800	00
"	25 Thos. Barnes.....	" from E. Morrison n.p. per acct. sales			521	00
"	30 Mds.	" " him on acct.....			80	00
"	" Ship Emma.....	" for cash sales this day.....	105	27		
		" " freights.....			750	00
			105	27	105	27
					3515	32
		Balance brought down.....			2462	02

CASH BOOK.

CASH DISBURSED.

SUM'RS.

\$ C.
2387 50

103 00

160 00

228 00

4000 00

320 00

7198 50

3307 50

800 00

16 00

35 00

700 00

405 00

38 55

02 05

44 05

15 00

00 00

1 00

00 00

00 00

5 27

32

02

1870	LEDGER TITLE.	PARAPHRASE.	\$	C.
Aug. 2	Mdse.	Paid R. J. Pears for Inv. No. 8 in full.....	\$	C.
" 7	R. T. Muir.....	" him on Inv. No. 9.	500	00
" 10	Bills payable.....	" Note No. 2 in full.	200	00
" 11	Troop & Son.....	" them on ship Emma.....	200	00
" 12	Bills payable.....	" Note No. 1 in full.....	2000	00
" 15	Expense.....	" Clerk in full to Aug. 1.....	700	00
" 18	"	" for freight on Inv. No. 10.....	125	00
" 20	Wm. Jack.....	" him for Ins. on ship Emma, cont. 12th inst.	50	00
		Balance on hand.....	116	00
			3307	50
			7198	50
Sep. 1	Expense.....	Paid sundry Expenses.....	75	00
" 5	Daniel & Boyd.....	" them on House and Lot.....	1500	00
" 6	Bills rec'ble.....	" W. Wilson on his note (No. 5) @ 4 mos.	816	00
" 12	College Bank.....	" on deposit.....	1500	00
" 15	A. H. Eaton's P. A.	" him on his private acct.....	150	00
" 25	J. S. Turner.....	" " acct.....	25	00
" "	Logan & Lindsay..	" them on "	71	00
" "	Burns & Murray...	" " (remitted per mail).....	76	00
" 30	J. C. P. Frazer.....	" his rent bill per receipt.....	45	00
		Balance on hand.....	744	05
			5002	05
Oct. 1	J. R. Curry & Co.'s const.....	Paid for freight.....	120	00
" 4	J. C. P. Frazer's P. A.	" him on his private acct.....	80	00
" 12	Shipm't to Halifax	" truckage, &c.	7	50
" 24	Expense.....	" Clerk in full to Oct. 31st.....	125	00
" 25	"	" gas bill to date.....	20	80
" 28	Lawton & Vassie..	" their d't at sight in favour of Stone Bros.	500	00
" 31	Expense.....	" rent of Store to date.....	200	00
		Balance on hand.....	2462	02
			3515	32

BILL BOOK.

ALL Notes and Acceptances, either in our favour or against us, should be registered in a book for the purpose, called the Bill Book. Notes and Acceptances in our favour are registered under the head of "Bills Receivable," and those against us under the head of "Bills Payable."

The entries in the following Bill Book explain themselves. They are the registry of the Notes and Acceptances received and given in the transactions recorded in the Day Books of both the Single and Double Entry Sets.

This book is useful as a book of reference, and is almost indispensable in a business where the receipt or giving of notes is of frequent occurrence.

The pupil, after examining this book, should register the Notes from the Day Book entries without referring to the entries here given. A good plan would be for the teacher to take the book some time after the pupil or class has copied each of the Day Books, read over the entries which refer to the Notes, and require the pupils to register them without the aid of the book, under his immediate supervision.

NOTE.—It is usual to allow three days on Notes, called "days of grace."

BOOK-KEEPING.

BILLS

No.	When Receiv'd	Place and Date.	By Whom Drawn.	In Whose Favour.	On Whom Drawn.	Where Payable.
	1870.		1870.			
1	June 21	St John	June 21	Magee Brothers..	Selves.	St John...
2	" 24	Halifax	" 24	Burns & Murray	do.	do.
3	Aug. 4	St John	Aug. 4	G. H. White & Co.	do.	do.
4	" 16	do.	" 16	T. R. Jones.....	do.	College Bk.
5	Sept. 6	do.	Sept. 6	W. Wilson	do.	do.
6	" 20	do.	" 20	G. Bent.....	do.	do.
7	" "	do.	" "	do.	do.	do.
8	Oct. 6	do.	Oct. 6	do.	do.	do.
9	" 15	do.	" 15	Jardine & Co.....	do.	do.
					W. O. Smith	

BILLS

No.	Place and Date.	By Whom Drawn.	In Whose Favour.	Where Payable.
	1870.			
1	St John May 12	Selves.	Logan & Lindsay.....	St John.....
2	do. June 8	do.	J. & A. McMillan.....	Bank of B. N. A.
3	do. Aug. 11	do.	Troop & Son	Bank of N. B....
4	do. " 12	do.	Jardine & Co.....	" "
5	do. " 19	Lawton & Vassie.....	Geo. Thomas.....	St John.....
6	do. Sept. 5	Selves.	Daniel & Boyd.....	"
7	do. Oct. 27	do.	Magee Brothers.....	"
8	do. " 27	J. R. Curry & Co.....	Jardine & Co.....	"

BILL BOOK.

RECEIVABLE.

Where Payable.	When Accept'd	Time.		When Due.												Amount.		How Disposed of.
		After Sight	After Date.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	₹	C.	
John...			3 mos									70				105 00	Rec'd cash Sept. 24 '70 " July 27 '70 Endorsed to Daniel & Boyd, Sept. 5 '70. Disc'd at College Bnk.	
do.			1 "						27			24				75 00		
do.			3 "											7		1263 10		
legeBk.			60 d'ys									19				900 00		
do.			4 mos	71												816 00		
do.			3 "	9										23		150 00		
do.			6 "			71	23									150 00		
do.			4 "			71	9									500 00		
1870.																		
Oct. 18	30 d'ys												18			600 00		

PAYABLE.

Where Payable.	When Accept'd	Time.		When Due.												Amount.		How Redeemed.
		After Sight.	After Date.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	\$	C.	
N. A.			3 mos								70					700 00	Pd. in cash Aug. 12 '70 " " 10 '70	
B....			2 "								15					200 00		
			6 "	71												1500 00		
	1870. Aug. 19	2 mos	3 "	14									15			4000 00	Pd. Oct. 24 '70.	
			3 "								22					350 00		
			3 "									8				350 00		
			3 "	71												875 00		
	Oct. 29	20 d'ys		30									19			2000 00		

DOUBLE ENTRY.

DOUBLE Entry Book-keeping recognises particularly this fact, viz., that every debtor has a corresponding creditor;—the book-keeper or man of business standing apart, and finding, as the result of each transaction, some person or thing that owes him, and some person or thing that he owes.

Suppose you buy a quantity of goods for \$50, from J. Jones, on credit. Let us see if we can find a Dr. and Cr., that is, some person or thing that owes you, and some person or thing that you owe, not counting yourself one. It is evident that you owe J. Jones \$50, and that therefore J. Jones is Cr. But what is Dr.? You have got in debt \$50, and if you have not a claim on some person or on some thing from which you can realise the money, you are \$50 poorer than you were before. You no doubt see, by this time, that you have a claim upon the goods you bought, and that you are very likely to press that claim, and try to recover your \$50 from them. And you are right. Now, if you have a claim upon the goods, the goods owe you, and are, therefore, Dr., just the same as a person is Dr. if you have a claim upon him. The general name which book-keepers give to all kinds of goods bought and sold in business, is merchandise. So Merchandise is Dr. and J. Jones is Cr.

This entry would appear in the Journal in the following form :

MDSE.		\$50
To J. Jones.		\$50

and means that Merchandise is Dr. to you for \$50, and that you are Dr. to J. Jones for \$50, from which, you see, you have only to omit part of the words to leave the words in the form above. Some insert Dr. after the word Mdse., but after the form and meaning of the entry are once understood, it is diffi-

DOUBLE ENTRY.

cult to see what good purpose its insertion can be made to accomplish.

Again, suppose you sell J. Jones a lot of goods for \$50 on credit. Of course, J. Jones is Dr. But what or who is Cr.? J. Jones will pay you, in due time, \$50, and unless you are indebted to some person or thing for it, you are \$50 richer than you were before. But you are not. It is pretty plain that your stock of goods which you call merchandise furnished you with the means of claiming \$50 from J. Jones, and you are therefore indebted to merchandise for that sum. So J. Jones is Dr., and Mdse. Cr., the entry in the Journal standing thus :

J. JONES
To Mdse. : : : : \$50
: : : : : \$50

which means that J. Jones is Dr. to you for \$50, and that you are Dr. to Mdse. for \$50.

Again, suppose you sell to J. Jones a lot of goods worth \$50, and he gives you his Note for the amount—is J. Jones Dr.? No. Because he has settled the bill by his Note, which was as much a payment as the money would have been. But if J. Jones does not owe you, who or what does? The Note? Yes. For it is to the Note that you look for the money. And you may get it by selling the Note without any reference to J. Jones. It is by means of the Note that you would get your money, and you could not get it by any other means. So your claim for the value of the goods you parted with is upon the Note, therefore the Note is Dr. Now, book-keepers and merchants call all the notes they receive from others, and all papers containing promises by others to pay money, which come into their possession, "Bills Receivable." Bills Receivable are therefore Dr. What is Cr.? The note is worth \$50, and the Merchandise furnished you with the means of getting it, therefore you owe Merchandise for it, that is, Merchandise is Cr.; and the entry in the Journal is—

Bills Receivable				\$50
To Mdse.	:	:	:	\$50

meaning that Bills Receivable owe you \$50, and that you owe Mdse. \$50.

BOOK-KEEPING.

Again, suppose you buy from J. Jones a lot of goods worth \$50, and give him your Note for the amount—what is Dr.? You have given your Note or promise to pay money, and your claim for the amount is upon the goods, or Mdse. is Dr.? What is Cr.? Not J. Jones; for you have paid him with your Note, which is a payment as much as money. The Note will claim the money when it is due, or some one will claim it by means of the Note; therefore you owe the Note, that is, the Note is Cr. Now, all ~~written~~ promises to pay money that a man gives to others, against himself, he calls "Bills Payable." So Mdse. is Dr., and Bills Payable are Cr.

Journal Entry :—

Mdse.	\$50
To Bills Payable	\$50

Again, if you buy goods for cash, say to the amount of \$50, you would perhaps suppose there would be neither Dr. nor Cr. resulting. And there would not be in Single Entry. But in Double Entry there would be both, on the principles already introduced. Mdse. is Dr., because it has caused you to part with the value of \$50, and you have a claim on it to that amount. The account of your money in Book-keeping is called Cash; and Cash is Cr. because it has supplied you with the means of getting the goods.

Journal Entry :—

Mdse.	\$50
To Cash	\$50

For similar reasons, when you sell goods for Cash, Cash is Dr. and Mdse. is Cr.

Every business transaction thus gives rise to at least a Dr. and a Cr., sometimes to several debtors and one creditor, sometimes to one debtor and several creditors, and sometimes to several debtors and several creditors, which may all be explained as readily as the foregoing examples—the sum of the debtors being always equal to the sum of the creditors. Thus a complete and beautiful system of debtor and creditor has been arranged, perfectly accurate in its results, and called Double Entry.

The foregoing explanations have been given to enable the

DOUBLE ENTRY.

student of book-keeping, who peruses this work, to find a means of determining the true and philosophical reason for every Dr. and every Cr.; and no person can be considered to possess a good knowledge of accounts who cannot, in this manner, explain every Journal entry, or, at least, understand the principles on which the reasons of the entries rest.

The "Rules" for Journalising, given on page 60, will probably be found to present more ready directions for determining the Drs. and Crs. from most transactions, and learners are earnestly recommended to commit them carefully to memory.

QUESTIONS FOR EXERCISE.

.What fact is particularly recognised in Double Entry Book-keeping?

If you buy from J. Jones on credit goods to the amount of \$50, what will be Dr.?

Why?

What will be Cr.?

Why?

What is meant by Merchandise?

Give the form of the Journal Entry.

What does it mean?

Is it necessary to insert Dr. after each debtor?

If you sell J. Jones a lot of goods on credit for \$50, what will be Dr.?

Why?

What will be Cr.?

Why?

Give the Journal Entry.

What does it mean?

If you sell J. Jones goods to the amount of \$50, and he gives you his Note in full, what will be Dr.?

Why?

BOOK-KEEPING.

- What will be Cr. ?
- Why ?
- Give the Journal Entry.
- What does it mean ?
- Why is not J. Jones Dr. ?
- Is a Note payment ?
- What are Bills Receivable ?
- If you buy from J. Jones goods to the amount of \$50, and give him your Note in full, what will be Dr. ?
- Why ?
- What will be Cr. ?
- Why ?
- Give the Journal Entry.
- Why would you not owe J. Jones ?
- What are Bills Payable ?
- If you buy goods for cash, what is Dr. ?
- What is Cr. ?
- How must the Drs. and Crs. in any Journal Entry compare in amount ?
- What ought you to commit to memory ?

, and

DAY BOOK—DOUBLE ENTRY.

mpare

MANY merchants keep, beside the Day Book, an Invoice Book and a Sales Book, from which, as well as from the Cash and Bill Books, the entries are either journalised or posted direct to the Ledger. But as it is impossible to give an exhaustive treatise on book-keeping in a book of this size, and as the course here presented is chiefly intended for beginners, we have not introduced an Invoice or Sales Book, and merely given examples of the Cash and Bill Books, without undertaking to illustrate the manner of posting these or any other auxiliaries.

All the business transactions supposed to have taken place are recorded in the Day Book in as brief forms as possible, consistent with accuracy and intelligibility; and the student who becomes familiar with them will have acquired brief and business-like forms of entry for all the most common business transactions.

Let the pupil copy them in a book for the purpose, and continue to do so until he can do it neatly and legibly before proceeding to journalise. The more care is taken in acquiring neatness, accuracy, and legibility in the execution of the work, the more creditably it will be performed, and the greater will be the satisfaction of both teacher and pupil when it is done. When a person undertakes to learn book-keeping, he is like an apprentice who would be a carpenter or a blacksmith,—he must not only learn *how* the work is done *well*, but he must learn to *do it well himself*.

ST JOHN, August 1st, 1870.

1870							
Aug. 1		INVENTORY of the joint effects of A. H. Eaton and J. C. P. Frazee on resuming business this day. (Books changed from Single to Double Entry.)					
ASSETS.							
	Magee Brothers	owe us					
	Geo. Thomas	owes us				498	50
	R. T. Muir					800	00
	J. S. Turner					250	00
	T. R. Jones					242	25
	Duffus & Co.	owe us				22	00
	Doull & Miller					40	00
	L. C. Eaton	owes us				366	00
	F. S. Sharp					85	45
	Cash on hand per C. B.					63	00
	Mdse. in Store					2387	50
	Note (No. 1) per B. B.					6500	00
						105	00
						10809	70
LIABILITIES.							
	We owe Burns & Murray					1360	00
	" Daniel & Boyd					537	00
	" Logan & Lindsay					300	00
	" J. & A. McMillan					35	00
	" Lawton & Vassie					1090	50
	" on Notes per B. B.					900	00
	Of the balance, A. H. Eaton's net Capital is					3351	10
	and J. C. P. Frazee's					3236	10
						10809	70
2	Bought for Cash of R. J. Peare—						
	Mdse. per Invoice No. 8						500 00
	Sold J. S. Cooper for Cash—						
	40 yds. Bleached Sheeting	@	\$0.80			32	00
	20 " Calico	@	.40			8	00
	70 " Black Silk	@	4.00			280	00
						320	00
4	Rec'd from R. T. Muir on acct., cash					103	00
	" Magee Brothers					160	00
	" Doull & Miller					228	00
						491	00
	Sold G. H. White & Co., Sussex Vale, and sent them by rail—						
	20 bbls. Flour	@	\$8.00			160	00
	4 hhd. Molasses, 120 gals. each	@	.42			201	60
	12 bbls. Apples	@	3.25			39	00
	10 hhd. Sugar, 1150 lbs. each	@	71			862	50
	Rec'd in payment their Note @ 3 mos.					1263	10

(50)

DOUBLE ENTRY DAY BOOK.

2

ST JOHN, August 6th, 1870.

1870			\$	c.	\$	c.
Aug. 6	Sold Thomas Barnes, Osaakeag, on acct.—					
	5 reams Foolscap @ \$3.75		18	75		
	8 " Note Paper @ 2.25		18	00		
	4 " Letter " @ 2.87 1/2		11	50		
	25 bunches Envelopes @ .05		1	38		
	1 doz. boxes Staples' Pens @ .60		3	60		
	12 sets Staples' Copy Books @ .75		9	00		
	24 copies Eaton's Arithmetic @ 1.00		24	00	86	23
" 7	Bought of R. T. Muir, Halifax—					
	Mdse. per Invoice No. 9				450	00
	Remitted in payment, Cash		200	00		
	Balance on acct.					
" 8	Sold T. R. Jones on acct.—					
	2 bbls. Flour @ \$8.00		16	00		
	4 " Apples @ 4.25		17	00		
	2 " Potatoes @ 2.50		5	00		
	2 " Sugar @ 18.50		37	00		
	2 chests H. Y. Tea @ 33.00		66	00	141	00
" 11	Paid Note No. 2 in Cash				200	00
" "	Sold Magee Brothers, on acct.—					
	3 pieces Black Silk, 70 yds. each. @ \$1.75				367	50
" 11	Bought of Troop & Son—					
	(1) one-fourth of ship "Emma" for				4000	00
	Gave in payment Cash		2000	00		
	" our Note @ 6 mos.		1500	00		
	" " order on Magee Brothers for bal.		500	00		
" 12	Effected Insurance on ship "Emma" for voyage to					
	Cuba, with Wm. Jack.					
	Premium and Policy (not paid)				116	00
" "	Gave Logan & Lindsey an order on L. C. Eaton for bal.					
	of his acct.				35	45
" "	Borrowed of Jardine & Co. on our Note at 3 months,					
	Cash				4000	00
" "	Paid Logan & Lindsay Note No. 1 in Cash				700	00
" 15	Paid Clerk in full to August 1st in Cash				125	00
" 16	Sold T. R. Jones on his Note @ 60 days—					
	140 pcs. Merrimac Prints @ \$4.50		630	00		
	60 " Furniture " @ 2.50		150	00		
	40 " Fancy Stripe @ 3.00		120	00	900	00

(51)

DOUBLE ENTRY DAY BOOK.

4

ST JOHN, September 5th, 1870.

\$	c.		\$	c.	\$	c.
900	00	1870				
		Sep. 5	Bought of Daniel & Boyd—			
			House and Lot on Leinster Street for		3200	00
			Gave in payment, Cash	1500	00	
			G. H. White & Co's Note (No. 3, per B. B.)	1263	10	
			An Order on T. R. Jones for	80	90	
			Our Note @ 3 mos. for bal.	350	00	
3050	00	" 6	Loaned W. Wilson on his Note @ 4 mos.—			
			Cash	800	00	
350	00		Interest at 6 per cent. included in note	16	00	816 00
116	00	" 8	Sent p. order of Burns & Murray, Hx., by str. "Empress"—			
			80 pes. Prints @ \$4.00	320	00	
			60 " Fancy Stripes @ 3.00	180	00	
			20 bbls. Dried Apples @ 6.50	130	00	630 00
912	00	" 9	Sold Magee Brothers on acct.—			
			10 bbls. Flour @ \$3.00	80	00	
			8 " Apples @ 4.00	32	00	
			5 " Potatoes @ 3.00	15	00	
99	20		80 lbs. Sugar @ .15	12	00	
			40 " Tea @ .50	20	00	
			25 " Rice @ .05½	1 88		160 38
44	00	" 12	Deposited in College Bank, Cash		1500	00
		" 13	Rec'd from Geo. Thomas on acct., Cash		35	00
74	48	" 15	Sold F. S. Sharp on acct.—			
			1 Black Silk Hat	5	00	
			2 pairs Women's Boots @ \$3.50	7	00	
			1 suit fine Broadcloth Clothes	32	00	
			6 Linen Handkerchiefs @ .50	3	00	
			1 " Duster	5 50		52 50
166	63	" "	Paid A. H. Eaton for his private acct.		150	00
250	00	" 17	Sold L. C. Eaton for Cash—			
			2 pairs Fine Boots @ \$5.50	11	00	
			4 " Flannel Shirts @ 3.25	13	00	
			2 " Kid Gloves @ 1.40	2 80		26 80
75	00	" 20	Sold G. Bent—			
			4 hds. Sugar, 3500 lbs. net @ \$0.10	350	00	
			15 cwt. Cheese @ 9.50	142	50	
			10 bbls. Flour @ 7.00	70	00	
			25 bags Common Salt @ 2.00	50	00	
			12 firkins Butter, 60 lbs. each @ .20	144	00	
			14 bbls. Mess Pork @ 20.00	280	00	
00	00		25 cwt. Buckwheat Meal @ 1.80	45 00	1081	50

BOOK-KEEPING.

ST JOHN, September 20th, 1870.

1870			\$	c.	\$	c.
Sep.	20	Rec'd in paym't from G. Bent Check on Bank of N. B.	700	00		
		His Notes Nos. 6 and 7 @ 3 and 6 mos.	300	00		
		" Order on Burns & Murray (rem. on acct.)	81	50		
"	24	Rec'd payment of Note No. 1 in Cash			105	00
"	25	Paid J. S. Turner on acct., Cash	25	00		
		" Logan & Lindsay " " " " " "	71	00		
		" Burns & Murray " " " " " "	76	00	172	00
"	28	Remitted Burns & Murray, Halifax, on acct., a Draft on Halifax, purchased of College Bk. with our Check			500	00
"	29	Rec'd from Black Bros., Halifax, per P. O. Order, Cash			11	75
		For which we sent them per "Express"—				
		20 bunches Envelopes @ 10c.	2	00		
		12 doz. B. B. Lead Pencils @ 50c.	6	00		
		15 quires Mourning Paper @ 25c.	3	75	11	75
"	30	Paid house rent for J. C. P. Frazee, per receipt			45	00
Oct.	1	Received from J. R. Currey & Co., Toronto, to be sold on their acct.—				
		300 bbls. Fine Flour				
		150 " Apples				
		100 " Potatoes				
		50 firkins Butter				
		25 bbls. Eggs				
		Paid for Freight on same in Cash			120	00
"	"	Sold J. & A. McMillan—				
		25 doz. School Books @ \$5.25	131	25		
		24 " Slates 10 x 14 @ 3.20	76	80		
		10 " Photograph Albums @ 8.50	85	00		
		12 " Eaton's Commercial Arith. @ 12.00	144	00		
		15 " Bullion's Grammar @ 6.00	90	00		
		8 " Fifth Readers @ 4.50	36	00	563	05
"	4	Paid J. C. P. Frazee for his private acct.			80	00
"	6	Sold G. Bent from J. R. Currey and Co.'s consignment—				
		100 bbls. Flour @ \$6.15	615	00		
		50 " Apples @ 4.00	200	00		
		20 " Potatoes @ 2.50	50	00		
		10 firkins Butter @ 11.00	110	00		
		5 bbls. Eggs @ 3.00	40	00	1015	00
		Rec'd in payment, Cash	515	00		
		His Note at 4 mos. for bal.	500	00		

DOUBLE ENTRY DAY BOOK.

6

ST JOHN, October 10th, 1870.

		\$	c.	\$	c.
1870					
Oct. 10	Sold J. & J. Hegan—				
	24 quires Foolscap @ \$0.20		4	80	
	2 sets Blank Books for Office @ 20.00		40	00	
105 00	4 reams tinted Note Paper @ 3.15		12	60	
	8 bush. Clover Seed @ 4.00		32	00	
	10 bbls. Dried Apples @ 8.50		85	00	174 40
172 00	" 12 Shipped E. Morrison, Halifax, per str. "Empress," the following Goods, to be sold on our account:—				
500 00	12 cwt. Cheese @ \$9.50		114	00	
11 75	12 firkins Butter @ 10.00		120	00	
	10 bbls. Mess Pork @ 20.00		200	00	
	20 bags Common Salt @ 2.00		40	00	474 00
11 75	Paid Truckage on same in Cash				7 50
45 00	" 15 Sold Jardine & Co. bal. of J. R. Currey & Co.'s cons't—				
	200 bbls. Flour @ \$6.12½		1225	00	
	100 " Apples @ 4.00		400	00	
	80 " Potatoes @ 2.25		180	00	
	20 " Eggs @ 8.10		162	00	
	40 firkins Butter @ 10.90		436	00	2403 00
	Rec'd in payment, Cash		800	00	
	Their Draft @ 30 days on W. O Smith (acct.)		600	00	
20 00	Bal. on acct. at 60 days		1003	00	
	" " Closed J. R. Currey & Co.'s cons't and rendered them an acct. Sales.				
	Storage		11	40	
	Commission at 2½ per cent. on Sales		85	45	
	J. R. Currey & Co.'s N. P. due per average Nov. 24		3201	15	3298 00
3 05	" 20 Rec'd an acct. Sales of Mdse. shipped E. Morrison, Halifax, to be sold on our acct., N. P., in Cash				521 00
00	" 24 Paid Note No. 5 by Check on College Bank				350 00
	" " Paid Clerk in full to Oct. 31st, Cash				125 00
00	" 25 Paid Gas Bill to date in Cash				20 80
	" " Rec'd from Thomas Barnes, Ossekeag, Cash on acct.				80 00

BOOK-KEEPING.

ST JOHN, N.B., October 27th, 1870.

		\$	c.	\$	c.
1870					
Oct.	27 Bought of Magee Brothers on our Note @ 3 mos. Mdse. per Invoice No. 11			875	00
"	28 Paid Lawton & Vassie's Draft at sight on us in favour of Stone Bros.			500	00
"	29 Accepted J. R. Currey & Co's Draft on us @ 20 days for			2000	00
"	30 Cash sales of Mdse. this day			105	27
"	" Rec'd Cash for Freight from ship "Emma" . . .			750	00
"	31 Paid Rent of Store to date in Cash			200	00
"	" On taking Stock we find on hand this day—				
	Mdse. valued at	5580	00		
	Real Estate valued at	3200	00		
	$\frac{1}{4}$ ship "Emma"	4000	00		

\$	a.
875	00
500	00
2000	00
105	27
750	00
200	00

REMARKS ON THE JOURNAL.

In this book all the Drs. and Crs. that arise from the transactions recorded in the Day Book are entered in a concise and simple form preparatory to posting into the Ledger. The general principles on which the Drs. and Crs. are determined have been explained under the head of Double Entry. We will here only examine a few of the entries in the Journal on the principles already referred to.

By referring to the Day Book it is seen that when the business was resumed on the first of August, after closing the Single Entry books, certain persons owed us the sums set after their several names. These persons are, of course, all Drs., because they owe us. Their names are all written down, one under another, in the Journal with the sums they severally owe us set opposite. Then, again, a certain portion of our capital was in the species of property called Cash. Cash owed us the value expressed by the figures \$2387.50. Cash is, therefore, Dr., and is written in the same position as the names of persons who are Drs. It is the same with Mdse. A portion of our capital to the amount of \$6500 was in Mdse. Mdse. owed us the sum or value expressed by these figures. It is therefore Dr. For similar reasons the account of Bills Receivable is Dr. for \$105—the part of our capital which we held in notes. This reasoning gives us the first part of Rule 1st for Journalising.

The persons whom we owed at the same time were of course our creditors, and are made Cr. in the Journal for the sums severally due them. We also owed notes to the amount of \$900. These notes, no matter who may hold them, will claim that sum from us when due, and are under the head of Bills Payable, made Cr. also.

The property on hand and the debt due us constitute the

BOOK-KEEPING.

assets; and the debts we owe both on personal accounts and notes make up the liabilities. The rule says to credit the Stock account (which stands for the owner of the business) for the total assets, and debit it for the total liabilities. The assets in this instance amount to \$10,809.70; the liabilities to \$4222.50. It is plain that to credit the Stock account for \$10,809.70, and debit it for \$4222.50, is exactly the same in effect as to only credit it for the difference of these sums, viz., \$6587.20. This is what we have done—in two sums—one for \$3351.10, the amount of A. H. Eaton's net capital, and the other for \$3236.10, the part of the net capital belonging to J. C. P. Frazee.

Another reason for taking this course, instead of strictly following the rule, is this. There are partners in this business who have been carrying it on together for some time, so that the property and debts which make up the assets are held in joint proprietorship, and only the proportional parts of the *net capital* belonging to each partner are ascertained. In a partnership business, a Stock or Capital account must be kept for each partner; and where the books are opened in Double Entry on the formation of the partnership, the rule should be strictly followed for each partner. But where the books are being opened in Double Entry after the business has been conducted for a time, as is the case here, the plan pursued on the opening of this Journal is the best, and, in fact, about the only plan that can safely be pursued. A brief rule to suit this case may be stated as follows:—

Debit each kind of property for the value of it, and each person who owes you, on account for the sum he owes; credit each person whom you owe for what you owe him, Bills Payable for what you owe on notes, and each partner's Stock for his share of the net capital. In other words, debit for the assets, and credit for the liabilities, including among the liabilities the sum due as net capital to each of the partners.

The word "To" in the Journal is always written before the Cr. or Crs. in each entry. The Drs. are all written in a column next the date, the Crs. following them a little to the right, with the word "To" before each, repeated after the first by means of dots or commas, as in the Journal annexed. Care should be taken to write the Drs. and Crs. each in their separate straight column. This arrangement adds much to the appearance of

REMARKS ON JOURNAL.

the book, and makes it easy to readily distinguish a Dr. from a Cr.

Some book-keepers would head the entry of which we have been speaking with the introduction, "Sundries Dr. To Sundries." These words would do no harm further than the room they occupy, and the extra labour in writing them; but they certainly do no good. We never write them. So with regard to the practice of making explanations in the Journal. Unless it is used as a book of original entry, all explanations in it are superfluous, being always found in full in the book from which the Journal is compiled. Let the references to the original books be clear and plain, and no explanations will be needed in the Journal.

The Second Entry :

Mdse.	\$500
To Cash	\$500

means that Mdse. is Dr. and Cash is Cr. for \$500. Mdse. has cost us \$500, which we expect it to return to us, and Cash has furnished us with means to the amount of \$500, which we intend to return. The Day Book entry corresponds with these remarks, from which we draw two general inferences stated in the rules, viz., when Mdse. is bought or comes into the business it is made Dr.; and when money is paid out, Cash is made Cr.

The third entry shows that Cash is Dr. for, or owes us, \$320, and that we owe Mdse. the same sum. Cash owes us, because we have put into that shape \$320 worth of our property, and is to supply us when we need it with that sum. We owe Mdse. for placing us in the position we occupy with regard to Cash. The Day Book says we sold Mdse. for cash. Accordingly, we find in the Rules, that when we sell or part with Mdse. we make it Cr., and that Cash is Dr. when we receive money.

In this manner we might go through all the entries and deduce the Rules for Journalising, commencing on page 60. The above remarks, however, are deemed sufficient, and are addressed more particularly to teachers (who should give verbal explanations to their pupils), and others somewhat advanced in the science.

Let the pupil examine this Journal in connection with the Day Book, entry by entry, applying to the teacher for explana-

BOOK-KEEPING.

tions of such as he does not understand. Then on a separate slip of paper, or a slate, let him, from his own Day Book, make out the Drs. and Crs. in proper form. This should be checked by the teacher, and when found correct, the pupil may copy it into his proper Journal.

RULES FOR JOURNALISING.

RULE I.

On opening the Journal, debit each kind of property on hand of which you intend to keep a separate account for the value of it, and also each person owing you on account for the amount he owes; and credit the Stock account for the total amount of your assets or resources.

If you have any liabilities, debit Stock for the total amount of them, and credit each person you owe on account for what you owe him, and credit Bills Payable for the value of the notes or acceptances held against you.

In cases of partnerships, a Stock account must be opened for each partner, which will be credited for the assets and debited for the liabilities of the respective partners. But the ordinary business transactions will be journalised as if no partnership existed.

RULE II.

Debit the Cash account for all sums of money received, and credit it for all sums of money parted with.

RULE III.

Debit the Merchandise account for the cost of all goods bought, and credit it for the selling price of all your own goods sold or parted with.

RULE IV.

Debit the Bills Receivable account for the face of each note or bill you receive, and credit it for the face of each bill when you part with it.

RULES FOR JOURNALISING.

RULE V.

Credit the Bills Payable account for the face of each of your own notes or acceptances given out, and debit the same account for the same sums when those notes or acceptances are redeemed.

RULE VI.

Debit the Expense account for all expenses connected with your business.

RULE VII.

Debit the Private account, or each partner's private account, for all your, or his, personal expenses.

RULE VIII.

Debit the Interest account for all amounts paid for interest, and credit it for all amounts received for interest.

RULE IX.

Credit the Commission account for all your earnings on Commission.

RULE X.

Debit the Profit and Loss account for all losses, and credit it for all gains.

RULE XI.

Debit Shipment accounts for the cost of the goods shipped and the expense of shipping; and when an account sales is received, credit them for their net proceeds.

RULE XII.

Debit Consignment account for the expenses attending them, for your own charges, and for their net proceeds; and credit them for the total sales.

RULE XIII.

When you accept a draft, debit the drawer, and credit Bills Payable.

BOOK-KEEPING.

RULE XIV.

When you draw a draft, debit the party who receives it from you on account, or what you receive for it if not sold on account; and credit the drawee, that is, the person on whom you draw it.

GENERAL RULE.

Debit what you receive, and credit what you part with.

DIRECTIONS FOR CLOSING.

As soon as the Posting is finished, take a Trial Balance, that is, see that the Drs. and Crs. exactly balance. Then credit the accounts to which inventories belong for the amounts of their respective inventories in red ink, and proceed to take the balances of all the accounts, placing them on the smaller sides, in red ink.

Accounts which have inventories close to or by Profit and Loss, and the balances are transferred to the Profit and Loss account. After the accounts are closed, the inventories are brought down on the Dr. side into a new account and transferred to the Dr. side of the Balance account.

The accounts of Interest, Discount, Expense, Commission, Storage, Shipments, &c., close into the Profit and Loss account.

The Profit and Loss account is closed into the Stock; or if there be partners, the gain or loss is divided according to agreement, and each partner's share entered separately into the Profit and Loss account, and transferred to the respective partners' Stock accounts.

The private account is closed into the Stock; or, in partnerships, each partner's private account is closed into his Stock.

All other accounts including Stock close into the Balance account.

BOOK-KEEPING.

ST JOHN, August 1870.

1870 Aug.						\$	c.	\$	c.
8	T. R. Jones	.	.	.	.	4			
	To Mdse.	.	.	.	.	8	141	00	
"	10	Bills Payable	.	.	.	9	200	00	141 00
		To Cash	.	.	.	7			
"	"	Magee Brothers	.	.	.	1	367	50	200 00
		To Mdse.	.	.	.	8			
"	11	Ship "Emma"	.	.	.	10	4000	00	367 50
		To Cash	.	.	.	7			
		" Bills Payable	.	.	.	9			2000 00
		" Magee Brothers	.	.	.	1			1500 00
"	12	Ship "Emma"	.	.	.	10			500 00
		To Wm. Jack	.	.	.	10	116	00	
"	"	Logan & Lindsay	.	.	.	4	35	45	116 00
		To L. C. Eaton	.	.	.	5			
"	"	Cash	.	.	.	7	4000	00	35 45
		To Bills Payable	.	.	.	9			
"	"	Bills Payable	.	.	.	9	700	00	4000 00
		To Cash	.	.	.	7			
"	15	Expense	.	.	.	10	125	00	700 00
		To Cash	.	.	.	7			
"	16	Bills Receivable	.	.	.	9	900	00	125 00
		To Mdse.	.	.	.	8			
"	"	College Bank	.	.	.	10	889	13	900 00
		Discount	.	.	.	10	10	87	
		To Bills Receivable	.	.	.	9			
"	18	Mdse.	.	.	.	8	3050	00	900 00
		To J. S. Turner	.	.	.	3			
		" Cash	.	.	.	7			3000 00
"	19	Lawton & Vassie	.	.	.	6	350	00	50 00
		To Bills Payable	.	.	.	9			
"	20	Wm. Jack	.	.	.	10	116	00	350 00
		To Cash	.	.	.	7			
"	25	Bauld, Gibson, & Co.	.	.	.	11	912	00	116 00
		To Mdse.	.	.	.	8			
									912 00

JOURNAL.

3

ST JOHN, August 1870.

\$	c.	1870				\$	c.	\$	c.
141	00	Aug.	26	J. & A. McMillan		69	20	69	20
				To Mdse.	5				
					8				
200	00	"	27	Geo. Thomas	2	44	00	44	00
				To Mdse.	8				
307	50	"	28	Bauld, Gibson, & Co.	11	74	46	74	46
				To Mdse.	8				
000	00	"	30	Daniel & Boyd	3	166	63	166	63
500	00			To Mdse.	8				
500	00								
16	00	Sep.	1	Profit and Loss	11	250	00	250	00
				To Mdse.	8				
85	45	"	"	Expense	10	75	00	75	00
				To Cash	7				
00	00	"	2	Cash	7	800	00	800	00
				To Bauld, Gibson, & Co.	11				
00	00	"	5	Real Estate	11	3200	00		
				To Cash	7			1500	00
5	00			" Bills Receivable	9			1263	10
				" T. R. Jones	4			86	90
00	00			" Bills Payable	9			350	00
00	00	"	6	Bills Receivable	9	816	00		
				To Cash	7			800	00
				" Interest	11			16	00
00	00	"	8	Burns & Murray	2	630	00	630	00
				To Mdse.	8				
00	00	"	9	Magee Brothers	1	160	38	160	38
				To Mdse.	8				
00	00	"	12	College Bank	10	1500	00	1500	00
				To Cash	7				
00	00	"	13	Cash	7	35	00	35	00
				To Geo. Thomas	2				
00	00	"	15	F. S. Sharp	6	52	50	52	50
				To Mdse.	8				
00	00	"	"	A. H. Eaton (Private acct.)	11	150	00	150	00
				To Cash	7				

(65)

K

BOOK-KEEPING.

ST JOHN, September 1870.

1870, September 1870.														
1870														
Sep.	17	Cash	To Mdse.	.	.	.	.	.	.	7	\$	c.	\$	c.
				.	.	.	.	.	.	8	20	80	26	80
"	20	Cash		.	.	.	.	.	.	7	700	00		
		Bills Receivable		.	.	.	.	.	.	9	300	00		
		Burns & Murray		.	.	.	.	.	.	2	81	50		
		To Mdse.		.	.	.	.	.	.	8			1081	50
"	24	Cash		.	.	.	.	.	.	7	105	00		
		To Bills Receivable		.	.	.	.	.	.	9			105	00
"	25	J. S. Turner		.	.	.	.	.	.	3	25	00		
		Logan & Lindsay		.	.	.	.	.	.	4	71	00		
		Burns & Murray		.	.	.	.	.	.	2	78	00		
		To Cash		.	.	.	.	.	.	7			172	00
"	28	Burns & Murray		.	.	.	.	.	.	2	500	00		
		To College Bank		.	.	.	.	.	.	10			500	00
"	29	Cash		.	.	.	.	.	.	7	11	75		
		To Mdse.		.	.	.	.	.	.	8			11	75
"	30	J. C. P. Frazer (Private acct.)		.	.	.	.	.	.	12	45	00		
		To Cash		.	.	.	.	.	.	7			45	00
Oct.	1	J. R. Currey & Co.'s cons't		.	.	.	.	.	.	12	120	00		
		To Cash		.	.	.	.	.	.	7			120	00
"	"	J. & A. McMillan		.	.	.	.	.	.	5	563	05		
		To Mdse.		.	.	.	.	.	.	3			563	05
"	4	J. C. P. Frazer (Private acct.)		.	.	.	.	.	.	12	80	00		
		To Cash		.	.	.	.	.	.	7			80	00
"	6	Cash		.	.	.	.	.	.	7	515	00		
		Bills Receivable		.	.	.	.	.	.	9	500	00		
		To J. R. Currey & Co.'s cons't		.	.	.	.	.	.	12			1015	00
"	10	J. & J. Hegan.		.	.	.	.	.	.	12	174	40		
		To Mdse.		.	.	.	.	.	.	8			174	40
"	12	Shipment to Halifax		.	.	.	.	.	.	12	481	50		
		To Mdse.		.	.	.	.	.	.	8			474	00
		„ Cash		.	.	.	.	.	.	7			7	50
"	15	Cash		.	.	.	.	.	.	7	800	00		
		Bills Receivable		.	.	.	.	.	.	9	600	00		
		Jardine & Co.		.	.	.	.	.	.	12	1003	00		
		To J. R. Currey & Co.'s cons't		.	.	.	.	.	.	12			2408	00
(66)														

5

\$	c.
26	80
1081	50
105	00
172	00
500	00
11	75
45	00
120	00
63	05
80	00
15	00
74	40
74	00
7	50
8	00

(87)

REMARKS ON THE LEDGER.

THE following Ledger is in the form generally used by merchants, whether for Single or Double Entry. In business, a page is usually allowed for an account. It is divided into two parts by a vertical double line, the left being the Dr. side, and the right the Cr.—the two making what is called a folio. When the name of an account is made Dr. or Cr. in the Day Book or Journal, it is in order that the sum for which it is made Dr. or Cr. may be placed on the proper side of the same account in the Ledger. This writing into the Ledger is called *posting*, and should be done as soon after the entries are prepared in the Day Book in Single Entry, or in the Journal in Double Entry, as circumstances will allow.

The first entry posted is that in which A. H. Eaton is made Cr. for his net capital at the beginning of the business. Turn to the Ledger and see how it is entered there. The account is headed "A. H. Eaton (Stock acct.," which should be written in a large, plain hand, so as to be conspicuous and easily read. The words "Stock acct.," in brackets, show that the person is an owner or partner in the business. To the left is written Dr., and to the right Cr. The sum for which A. H. Eaton is made Cr. in the Day Book is set in the money columns on the Cr. side of his account, and before it the date in the columns for that purpose, and in the broad space between are written the words "By his net capital," which explain as briefly as possible what he is Cr. for. The page of the Day Book from which the entry is brought is then placed in the narrow column in front of the money columns, and the folio of the Ledger in the corresponding column in the Day Book. This at once shows that the entry has been posted, and where in the Ledger the account is found. The other entries are all posted in a similar manner—the Crs. on the right hand side, and the Drs. on the left.

REMARKS ON THE LEDGER.

In the posting of the entry of May 12th, Logan & Lindsay are said to be Cr. "By Mdse.," because the word Mdse. expresses the kind of value we received from them at that time; but in the debit entry they are said to be Dr. "To Sundries," because the \$1200 for which they are debited is made up of the values of different kinds of property. See remarks on this word on page 23.

The pupil must not copy the Ledger, nor use the printed copy, while posting. He should post independently from his own Day Book, after having examined the posting here given, and had the manner of doing it explained to him.

After the Day Book has been thus posted, a trial balance or proof sheet should be taken to prove the posting correct. This is done as follows:—

Add up the Dr. and Cr. columns of each page of the Day Book, and ascertain the total sum of the Drs., and also that of the Crs., and subtract the less from the greater. The difference must be exactly the same as that found to exist between the total Drs. and the total Crs. as ascertained from the Ledger. A good form for getting out the Trial Balance is exhibited on page 102.

If this plan be followed, the posting in Single Entry is as well proved as it can be in Double Entry. By adding up each page of the Day Book as he goes along, the book-keeper will be able to get the difference from the Day Book without much extra labour or time. The accounts in the Ledger, too, have to be added at the general time of balancing, making out bills, &c., and the additional labour required to ascertain the difference between the Drs. and Crs. is not so great as at first sight might be supposed. The only occasion on which much trouble would be experienced would be in case the results from the two books would not agree. This would show an error somewhere, which must be searched out and corrected, if the book-keeper would have his work correct. It is in order that errors may not go undetected that the plan above referred to is recommended.

After the Trial Balance has proved the posting correct, the pupil may complete the Balance Sheet on page 102, and then proceed to close the Ledger by balancing all the accounts. To balance an account is to make the two sides equal by writing the difference on the smaller side. Then rule, with red ink,

BOOK-KEEPING.

under the longer column of figures, and on the same horizontal line on the other side, short single lines, called footing lines, and place the sums beneath. Under these, rule double lines, called closing lines, as is done in the Ledger here given. The balances, with the date of balancing, and the words "To" or "By Balance," should be written with red ink to make them more conspicuous. When the account is closed the balance is brought down on the opposite side into a new account. The account is then opened for the posting of the succeeding business.

The partners' Stock accounts are not closed till after the gain or loss is ascertained, and must be credited for the net gain, or debited for the net loss before they are closed. They are then closed exactly as the other accounts are. The balances of the Stock accounts, entered with the liabilities, will make them exactly equal to the assets.

horizontal
lines,
lines,
The
"or
them
nce is
The
busi-

gain
n, or
then
f the
them

DOUBLE ENTRY POSTING.

AFTER the pupil has journalised his Day Book properly, he will proceed to post the Journal to the Ledger. Most of the items of the first Journal Entry he will find already in his Ledger, being the balances brought down from the Single Entry accounts. He has only to mark in the Journal the folios of the accounts in which these items are found.

The sum for which Cash is made Dr. is the first to be posted. As no cash account was used in Single Entry, he will open one, and on the Dr. side of it write the date, Aug. 1st, 1870, with the words "To Sundries," and place the sum \$2387.50 in the money columns. The word "Sundries" refers to the several Crs. in the same Journal Entry. An account for Mdse., and one for Bills Receivable, will also be opened, and the sums for which they are made Dr. in the Journal posted in the same manner.

Of the Crs. in the first entry all are already in the Ledger except Bills Payable. Open an account for them, and on the Cr. side write the date, with the words "By Sundries," and the sum \$900 in the money columns. The word "Sundries" refers to the several Drs. in the same entry.

To post the second Journal Entry, turn to the Mdse. account, and on the Dr. side, after inserting the date, write "To Cash," and set the \$500 in the money columns. Then turn to the Cash account, and on the Cr. side, after the date, write "By Mdse.," placing the sum, as before, in the money columns.

In the first Journal Entry of August 4th, there are one Dr. and several Crs. On the Dr. side of the Cash account, write "To Sundries" \$491, and on the Cr. side of each of the other accounts, write "By Cash," and carry out in R. T. Muir's account \$103, in Magee Brothers' account \$160, and in Doull

BOOK-KEEPING.

& Miller's account \$228; in every case marking the page of the Journal in the Ledger, and the folio of the Ledger in the Journal.

It may here be explained that the word "Sundries" used in the Ledger in Double Entry Book-keeping, always means several accounts, and not several things or articles, as in Single Entry.

Double Entry posting, if done correctly, places as much on one side of the Ledger as on the other, and must be proved by taking a

TRIAL BALANCE.

To do this, write the names of all the accounts, except those the two sides of which are equal, one under the other, on a loose piece of paper or a slate, and opposite each the sums of both the Dr. and Cr. sides, found by adding in the Ledger; then add up both columns, and if the posting has been done correctly, the sums will be exactly equal. If they be not, search must be made for errors, which when found must be corrected, and the Trial Balance successfully made. If many errors be found in the posting, the pupil must post it again and again, if needful. It is better to spend some time, and use a good deal of paper, than to quit the subject without having acquired the ability, or rather habit, of working correctly.

The Balance Sheet, according to the plan shown at the end of the "Additional Set for Practice," may now be drawn out or omitted at the discretion of the teacher.

CLOSING THE LEDGER.

When the Trial Balance has proved the posting correct, and not till then, proceed to close the Ledger in the following order.

Enter the Inventories into their respective accounts, on the Cr. side, with red ink, viz., the value of the Mdse. on hand into the Mdse. account, the value of the Real Estate into the Real Estate account, and the value of your share of the ship "Emma" into the ship "Emma" account. Then close all the personal

DOUBLE ENTRY POSTING.

accounts, Bills Receivable, Bills Payable, Cash, and Bank accounts (omitting the partners' Stock accts.) into the Balance account, which must now be opened. That is, enter the balances of those accounts on the smaller sides with red ink, with the words "To" or "By Balance;" add up and close the accounts as in Single Entry; and transfer the balance of each to the opposite side of the Balance acct., writing before it the words "To" or "By," with the name of the account from which the balance was brought. As you come to the accounts with Inventories, transfer the Inventories to the Dr. side of the Balance acct. Then close all the other accounts (still omitting the Stock accounts) into Profit and Loss; then the Profit and Loss into the partners' Stocks; and, lastly, the Stock accounts into the Balance. If the accounts have all been balanced correctly, and the balances transferred properly, the two sides of the Balance account will be equal.

INDEX TO THE LEDGER.

THE following Index is arranged on the usual plan. In business a page and sometimes two pages are allowed for each letter. It is inserted here in order that the pupil may become familiar with its form and use.

BOOK-KEEPING.

Page

Burns & Murray	.	.	.	.	.	.	.	.	2
Bills Receivable .	.	.	.	.	.	.	.	.	9
Bills Payable	.	.	.	.	.	.	.	.	9
Barnes, Thomas .	.	.	.	.	.	.	.	.	9

C
C
C
C
C

Dan
Duf
Dou
Disc

INDEX TO THE LEDGER.

Page

Cash	Page	A
College Bank	7	B
Currey, J. R. & Co.'s cons't	10	C
Commission	12	D
Currey, J. R. & Co.	13	
	13	

2
9
9
9

Daniel & Boyd	3
Duffus & Co.	4
Doull & Miller	5
Discount	10

BOOK-KEEPING.

	Page
Eaton, A. H. (Stock acct.)	1
Eaton, L. C.	5
Expense	10
Eaton, A. H. (Private acct.)	11

Frazer, J. C. P. (Stock acct.)	1
Frazer, J. C. P. (Private acct.)	12

INDEX TO THE LEDGER.

Page

• 1

• 5

. 10

• 11

Page

E
F
G
H

• 1

• 12

Hunt, J.	.	.	.	.	.	.	.	.	.
Hegan, J. & J.	.	.	.	.	.	.	.	.	.

Hegan, J. & J. 12

BOOK-KEEPING.

Interest	Page 11
--------------------	------------

Jones, T. R.	4
Jack Wm.	10
Jarline & Co.	12

INDEX TO THE LEDGER.

Page

I
J
K
L

Jogan & Lindsay	.	.	.	.	.	.	.	.	4
Lawton & Vassie	.	.	.	.	.	.	.	.	6

BOOK-KEEPING.

Magee Brothers	Page
Muir, R. T.	1
McMillan, J. & A.	2
Merchandise	5
	8

INDEX TO THE LEDGER.

Page

1

2

5

8

Page

Profit & Loss 11

M
N
O
P

BOOK-KEEPING.

Page

Real Estate 11

INDEX TO THE LEDGER.

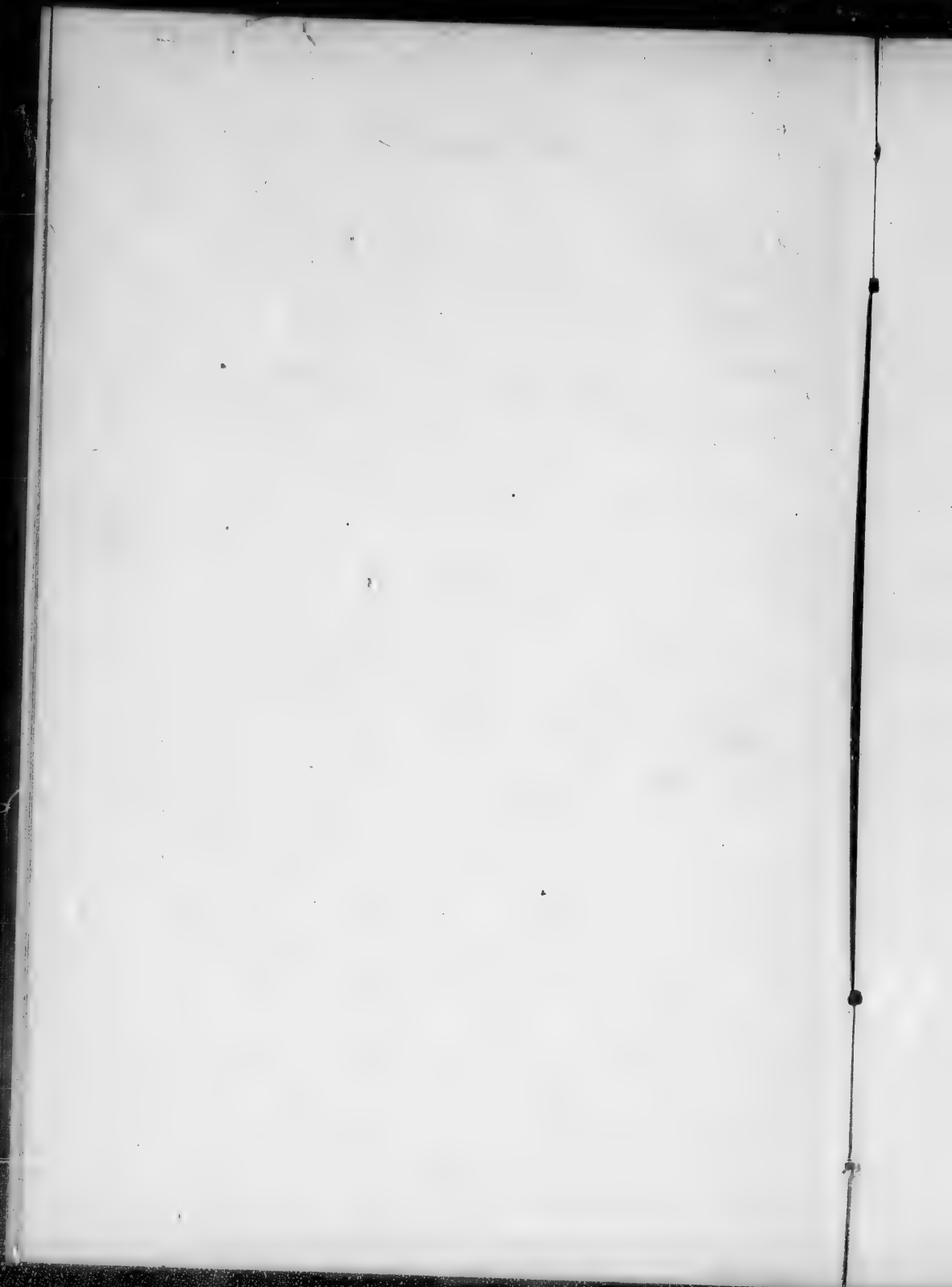
Page

Sharp, F. S.	Page
Ship "Emma"	6
Shipment to Halifax	10
Storage	12

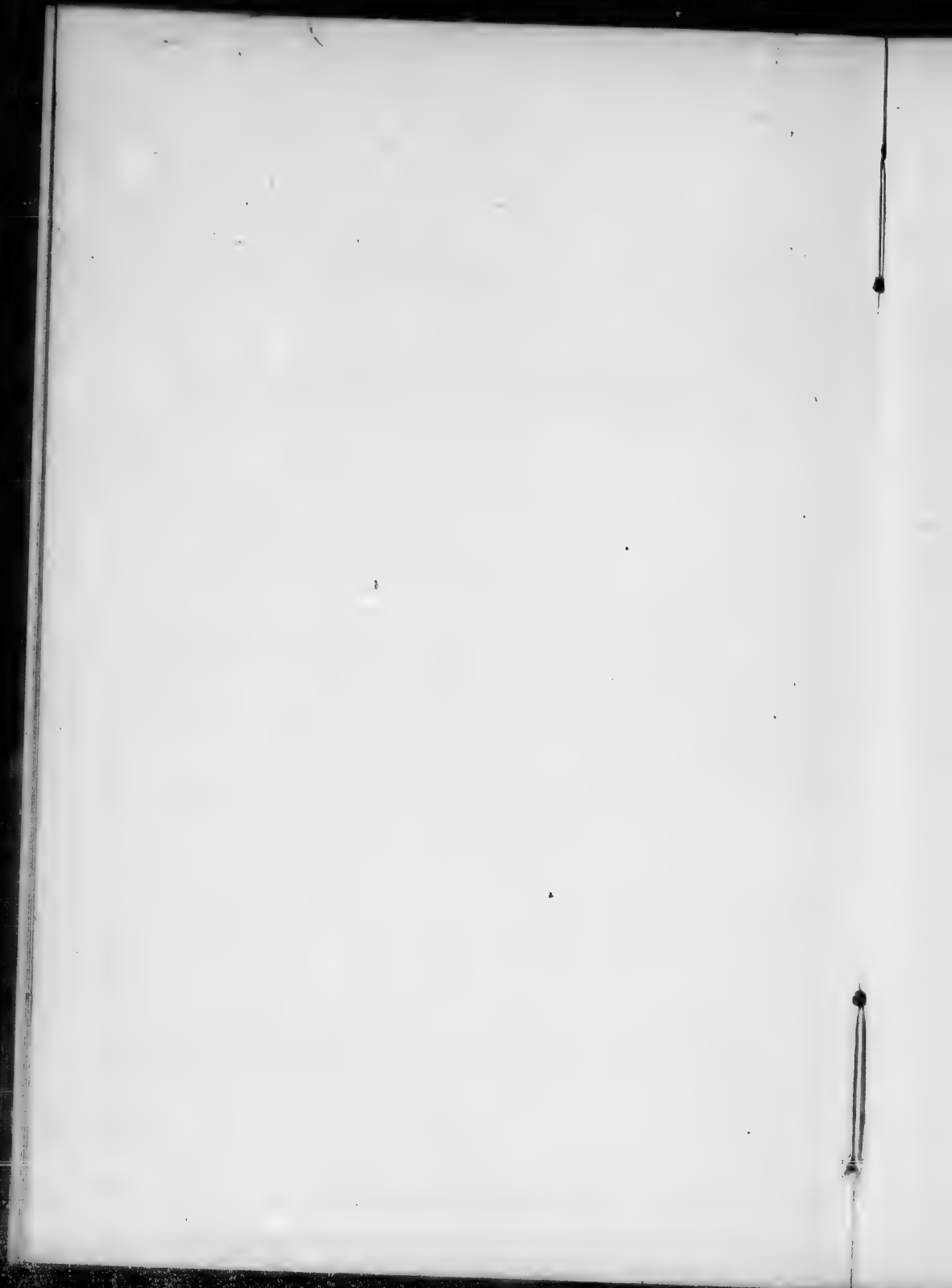
11

Thomas, Geo.	2
Turner, J. S.	3

Q
R
S
T



U
V
W
X
Y
Z



LEDGER.

1

Dr.		A. H. EATON (Stock acct.)				Cr.	
1870			\$	c.	1870		\$ c.
May 31	To Cash.....	2	60	00	May 1	By his Net Capital...	1 3500 00
July 31	" Net Loss		88	90			
" "	" Balance.....f.	6	3351	10			
			3500	00			3500 00
Oct. 31	To A. H. E. (pr. ac.) f.	11	150	00	Aug. 1	By Balance	3351 10
" "	" Balance.....	13	4230	33	Oct. 31	" Profit & Loss....f.	11 1029 23
					Nov. 1	By Balance.....	4230 33

Dr.		J. C. P. FRAZEE (Stock acct.)				Cr.	
1870			\$	c.	1870		\$ c.
May 31	To Cash	2	75	00	May 1	By his Net Capital...	1 3400 00
July 31	" Net Loss.....		88	90			
" "	" Balance.....f.	6	3236	10			
			3400	00			3400 00
Oct. 31	To J. C. P. F. (pr. ac.) f.	12	125	00	Aug. 1	By Balance	3236 10
" "	" Balance.....	13	4140	32	Oct. 31	" Profit & Loss....f.	11 1029 22
					Nov. 1	By Balance	4140 32

Dr.		MAGEE BROTHERS.				Cr.	
1870			\$	c.	1870		\$ c.
May 1	To Balance due.....	1	400	00	May 28	By Cash	2 250 00
June 21	" Mdse.....	3	153	50	June 21	" their Note.....	3 105 00
July 15	" Cash.....	5	300	00	July 31	" Balance.....f.	6 498 50
			853	50			853 50
Aug. 1	To Balance		498	50	Aug. 4	By Cash.....	1 160 00
" 10	" Mdse.....	2	367	50	" 11	" Ship "Emma"...	2 500 00
Sep. 9	" "	3	160	38	Oct. 31	" Balance.....f.	13 366 38
			1026	38			1026 38
Nov. 1	To Balance		366	38			

BOOK-KEEPING.

Dr.		GEO. THOMAS.		Cr.			
1870				1870			
May 1	To Balance due.....	1	\$ 500 00	June 5	By Cash.....	3	\$ 200 00
				July 31	" Balance.....f.	6	300 00
			500 00				500 00
Aug. 1	To Balance.....		300 00	Sep. 13	By Cash.....	3	35 00
" 27	" Mdse.....	3	44 00	Oct. 31	" Balance.....f.	13	309 00
			344 00				344 00
Nov. 1	To Balance.....		309 00				

DR.		R. T. MUIR.				CR.			
1870			\$	c.	1870		\$	c.	
May 1	To Balance due.....	1	400	00	June 24	By our Draft.....	4	150	00
					July 31	" Balance.....f.	6	250	00
			400	00				400	00
Aug. 1	To Balance		250	00	Aug. 4	By Cash	1	103	00
Oct. 31	" Balance.....f.	13	103	00	" 7	" Mdse.....	1	250	00
			353	00				353	00
					Nov. 1	By Balance		103	00

Dr.		BURNS & MURRAY.				Cr.		
1870			\$	c.	1870		\$	c.
May 1	To Balance due.....	1	500	00	June 1	By Cash.....	3	108 40
June 1	" Mdse.....	3	208	40	June 24	" Sundries.....	4	160 00
July 31	" Balance.....f.	6	1360	00	July 20	" Mdse.....	5	1800 00
			2068	40				2068 40
Sep. 8	To Mdse.....	3	630	00	Aug. 1	By Balance.....		1360 00
" 20	" ".....	4	81	50				
" 25	" Cash.....	4	76	00				
" 28	" College Bank.....	4	500	00				
Oct. 31	" Balance.....	13	72	50				
			1360	00				1360 00
					Nov. 1	By Balance.....		72 50

LEDGER.

3

Dr.

J. HUNT.

Cr.

1870				\$	c.	1870				\$	c.
May 10	To Mdse.....	2		65	00	May 5	By his Bill for work	1		85	00
June 20	„ Cash.....	3		20	00						
				85	00					85	00

Dr.

J. S. TURNER.

Cr.

1870				\$	c.	1870				\$	c.
May 5	To Mdse.....	1		140	00	May 5	By Cash.....	1		80	00
June 15	„ Order on L. C. E.	8		82	25	July 8	„ „	5		168	00
July 8	„ Mdse.....	6		268	00	„ 31	„ Balance.....f.	6		242	25
				490	25					490	25
Aug. 1	To Balance			242	25	Aug. 18	By Sundries	2		3000	00
Sep. 25	„ Cash.....	4		25	00						
Oct. 31	„ Balance	f. 13		2732	75						
				3000	00					3000	00
						Nov. 1	By Balance.....			2732	75

Dr.

DANIEL & BOYD.

Cr.

1870				\$	c.	1870				\$	c.
May 8	To Cash.....	2		1500	00	May 8	By Mdse.....	2		2000	00
June 5	„ „	3		400	00	July 1	„ „	4		750	00
July 12	„ „	5		313	00						
„ 31	„ Balance	6		537	00						
				2750	00					2750	00
Aug. 30	To Mdse.....	3		168	63	Aug. 1	By Balance			537	00
Oct. 31	„ Balance	13		870	37					537	00
				537	00						
						Nov. 1	By Balance.....			370	37

BOOK-KEEPING.

Dr.		LOGAN & LINDSAY.				Cr.		
1870			\$	c.	1870		\$	c.
May 12	To Sundries.....	2	1200	00	May 12	By Mdse.....	2	1800 00
June 30	„ Cash.....	4	300	00				
July 31	„ Balancef.	6	300	00				
			1800	00			1800	00
Aug. 12	To L. C. Eaton.....	2	35	45	Aug. 1	By Balance.....		300 00
Sep. 25	„ Cash.....	4	71	00				
Oct. 31	„ Balancef.	13	198	55				
			300	00			300	00
					Nov. 1	By Balance.....		198 55

DR.			T. R. JONES.			CR.		
1870			\$	c.	1870		\$	c.
May 15	To Mdse.....	2	52	00	June 24	By Mdse.....	4	400 00
June 24	„ Sundries.....	4	350	00	July 5	„ Cash.....	4	120 40
July 5	„ Mdse.....	4	140	40	„ 31	„ Balance.....	6	22 00
			542	40			542	40
Aug. 1	To Balance.....		22	00	Sep. 5	By Real Estate.....	3	86 90
„ 8	„ Mdse.....	2	141	00	Oct. 31	„ Balance.....	13	76 10
			163	00			163	00
Nov. 1	To Balance.....		76	10				

DR.				DUFFUS & CO.				CR.			
1870				\$	c.	1870		\$	c.		
May 20	To Mdse.....	2	308	00	May 20	By Sundries.....	2	268	00		
					July 31	„ Balance.....	6	40	00		
			308	00				308	00		
Aug. 1	To Balance.....		40	00							

LEDGER.

5

Cr.	
\$	c.
1800	00
1800	00
300	00
300	00
198	55

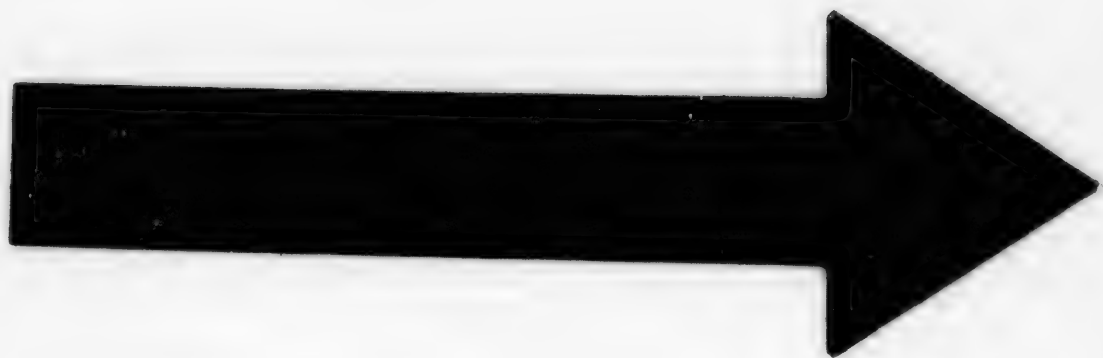
Dr.		DOULL & MILLER.		Cr.	
1870				1870	
May 25	To Puffus & Co.'s ord.	2	\$ 88 00	July 31	By Balance.....f. 6
June 20	„ Mdse.....	3	278 00		\$ 366 00
			366 00		366 00
Aug. 1	To Balance		366 00	Aug. 4	By Cash.....
				Oct. 31	„ Balance.....f. 13
			366 00		228 00
					138 00
					366 00
Nov. 1	To Balance		138 00		

Cr.	
\$	c.
400	00
120	40
22	00
542	40
86	90
76	10
163	00

Dr.		L. C. EATON.		Cr.	
1870				1870	
May 25	To Mdse.....	2	\$ 12 25	June 15	By our or. fav. J. S. T.
July 10	„ „	5	105 45	July 31	„ Balance.....f. 6
			117 70		\$ 82 25
					35 45
Aug. 1	To Balance		35 45	Aug. 12	By Logan & Lindsay
					2
					35 45

Cr.	
\$	c.
68	00
40	00
08	00

Dr.		J. & A. McMILLAN.		Cr.	
1870				1870	
June 8	To our Note.....	3	\$ 200 00	June 8	By Mdse.....
July 31	„ Balance.....f. 6		35 00		3
			235 00		\$ 235 00
Aug. 26	To Mdse.....	3	69 20	Aug. 1	By Balance
Oct. 1	„ „	4	563 05	Oct. 31	„ Balance.....f. 13
			632 25		35 00
					597 25
Nov. 1	To Balance		597 25		632 25



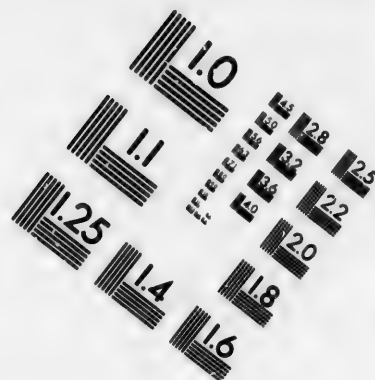
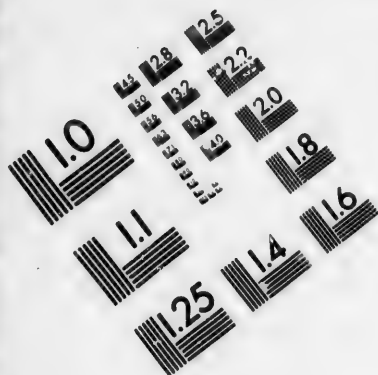
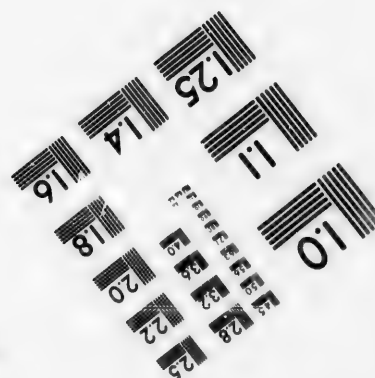
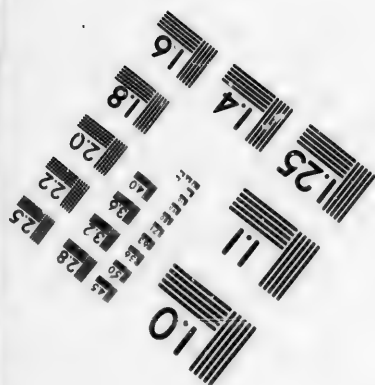
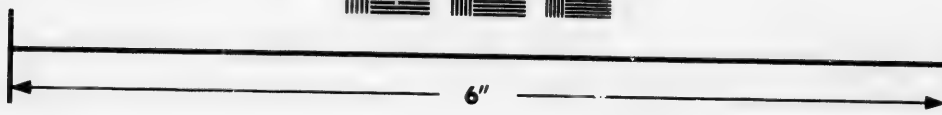
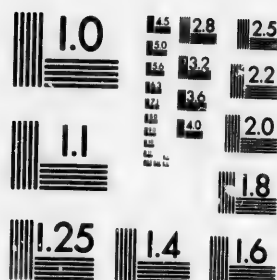


IMAGE EVALUATION TEST TARGET (MT-3)



Photographic
Sciences
Corporation

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4303

0
1.6
1.8
2.0
2.2
2.5
2.8
3.2
3.6
4.0
4.5
5.0
5.6
6.3
7.1
8.0
9.0
10.0
11.2
12.5
14.0
16.0
18.0
20.0
22.4
25.0
28.0
31.5
36.0
40.0
45.0
50.0
56.0
63.0
71.0
80.0
90.0
100.0

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

BOOK-KEEPING.

Dr.		LAWTON & VASSIE.				Cr.		
1870			\$	c.	1870		\$	c.
June 10	To Mdse.....	3	5	30	June 28	By Cash.....	4	500 00
" 28	" ".....	4	545	00	July 25	" Mdse.....	5	1140 80
July 31	" Balance.....	f. 6	1090	50				
			1640	80				1640 80
Aug. 19	To Bills Payable.....	2	350	00	Aug. 1	By Balance.....		1090 50
Oct. 28	" Cash.....	5	500	00				
" 31	" Balance.....	13	240	50				
			1090	50				1090 50
					Nov. 1	By Balance.....		240 50

Dr.				F. S. SHARP.				Cr.			
1870				\$ c.		1870				\$ c.	
July 1	To Mdse.....	4	163 00	July 6	By Cash.....	4	100 00				
				" 31	" Balance.....	6	63 00				
			163 00								163 00
Aug. 1	To Balance		63 00	Oct. 31	By Balance	13	115 50				
Sep. 15	" Mdse.....	3	52 50								
			115 50								115 50
Nov. 1	To Balance		115 50								

ASSETS.		BALANCE, July 31st, 1870.		LIABILITIES.			
FOL.		\$	c.	FOL.		\$	c.
1	Magee Brothers.....	498	50	2	Burns & Murray.....	1360	00
"	2 Geo. Thomas.....	300	00	"	3 Daniel & Boyd.....	537	00
"	2 R. T. Muir.....	250	00	"	4 Logan & Lindsay.....	300	00
"	3 J. S. Turner.....	242	25	"	5 J. & A. McMillan.....	35	00
"	4 T. R. Jones.....	22	00	"	6 Lawton & Vassie.....	1090	50
"	4 Duffus & Co.....	40	00	"	Bills Payable per B. B.	900	00
"	5 Doull & Miller.....	366	00	"	1 A. H. Eaton (Stock ac.)	3351	10
"	5 L. C. Eaton.....	85	45	"	1 J. C. P. Frazee do.	3236	10
"	6 F. S. Sharp.....	63	00				
	Cash per C. B.	2387	50				
	Mdse. per Inventory..	6530	00				
	Bills Rec'ble per B. B.	105	00				
		10809	70			10809	70

LEDGER

7

CR.

	\$	c.
4	500	00
5	1140	80
	1640	80

1090 50

1090 50

240 50

CR.

	\$	c.
4	100	00
5	63	00
	163	00

115 50

115 50

ITIES.

	\$	c.
1360	00	
537	00	
300	00	
35	00	
1090	50	
900	00	
3351	10	
2236	10	

809 70

DR.

CASH.

CR.

1870			\$	c.	1870			\$	c.
Aug. 1	To Sundries.....	1	2387	50	Aug. 2	B, Mdse.....	1	500	00
" 2	" Mdse.....	1	320	00	" 7	" ".....	1	200	00
" 4	" Sundries.....	1	491	00	" 10	" Bills Payable.....	2	200	00
" 12	" Bills Payable.....	2	4000	00	" 11	" Ship "Emma".....	2	2000	00
Sep. 2	" Bauld, Gib. & Co.	3	800	00	" 12	" Bills Payable.....	2	700	00
" 13	" Geo. Thomas.....	3	35	00	" 15	" Expense.....	2	125	00
" 17	" Mdse.....	4	28	80	" 18	" Sundries.....	2	50	00
" 20	" ".....	4	700	00	" 20	" Wm. Jack.....	2	116	00
" 24	" Bills Rec'ble.....	4	105	00	Sep. 1	" Expense.....	3	75	00
" 29	" Mdse.....	4	11	75	" 5	" Real Estate.....	3	1500	00
Oct. 6	" J.R.C.&Co.'s con.	4	515	00	" 6	" Bills Rec'ble.....	3	800	00
" 15	" ".....	4	809	00	" 12	" College Bank.....	3	1500	00
" 20	" Ship't to Halifax	5	521	00	" 15	" A. H. E. (Pr. ac.)	3	150	00
" 25	" Thomas Barnes..	5	80	00	" 25	" Sundries.....	4	172	00
" 30	" Mdse.....	5	105	27	" 30	" J.C.P.F. (Pr. ac.)	4	45	00
" "	" Ship "Emma".....	5	750	00	Oct. 1	" J.R.C.&Co.'s con.	4	120	00
					" 4	" J. C. P. F. (Pr. ac.)	4	80	00
					" 12	" Ship't to Halifax	4	7	50
					" 24	" Expense.....	5	125	00
					" 25	" ".....	5	20	80
					" 28	" Lawton & Vassie	5	500	00
					" 31	" Expense.....	5	200	00
					" "	" Balance.....		2462	02
			11648	32				11648	32
Nov. 1	To Balance		2462	02					

DR.

MERCHANDISE.

CR.

[illegible]

LEDGER

9

DR.

BILLS RECEIVABLE

CR.

Cr.

\$ c.
320 00
1263 10
86 23
141 00
867 50
900 00
912 00
69 20
44 00
74 48
166 63
250 00
630 00
160 38
52 50
26 80
081 50
11 75
563 05
174 40
474 00
105 27
580 00
453 77

1870			\$	c.	1870		\$	c.
Aug. 1	To Sundries.....	1	165	00	Aug. 16	By Sundries.....	2	900 00
" 4	" Mdse.....	1	1263	10	Sep. 5	" Real Estate.....	3	1263 10
" 16	" ".....	2	900	00	" 24	" Cash.....	4	105 00
Sep. 6	" Sundries.....	3	816	00	Oct. 31	" Balance.....f.	13	2216 00
" 20	" Mdse.....	4	300	00				
Oct. 6	" J.R.C.&Co.'s'nt	4	500	00				
" 15	" " " "	4	600	00				
			4484	10				4484 10
Nov. 1	To Balance		2216	00				

DR.

BILLS PAYABLE

CR.

1870			\$	c.	1870		\$	c.
Aug. 10	To Cash.....	2	200	00	Aug. 1	By Sundries	1	900 00
" 12	" ".....	2	700	00	" 11	" Ship "Emma"....	2	1500 00
Oct. 24	" College Bank.....	5	350	00	" 12	" Cash.....	2	4000 00
" 31	" Balance.....	13	8725	00	" 19	" Lawton & Vassie	2	350 00
					Sep. 5	" Real Estate.....	3	850 00
					Oct. 27	" Mdse.....	5	875 00
					" 29	" J. R. Currey & Co.	5	2000 00
			9975	00				9975 00
					Nov. 1	By Balance.....		8725 00

DR.

THOMAS BARNES.

CR.

1870			\$	c.	1870		\$	c.
Aug. 6	To Mdse.....	1	86	23	Oct. 25	By Cash.....	5	30 00
					" 31	" Balance.....f.	13	6 23
			86	23				86 23
Nov. 1	To Balance		6	23				

BOOK-KEEPING.

DR.		SHIP "EMMA."				CR.	
1870			\$	c.	1870		\$ c.
Aug. 11	To Sundries.....	2	4000	00	Oct. 30	By Cash.....	5 750 00
" 12	" Wm. Jack.....	2	116	00	" 31	" Bal. (Invent'y) f.	13 4000 00
Oct. 31	" Profit & Loss....f.	11	684	00			
			4750	00			4750 00
Nov. 1	To Balance.....		4000	00			

DR.		WM. JACK.				CR.	
1870			\$	c.	1870		\$ c.
Aug. 20	To Cash.....	2	116	00	Aug. 12	By Ship "Emma"...	2 116 00

DR.		EXPENSE.				CR.	
1870			\$	c.	1870		\$ c.
Aug. 15	To Cash.....	2	125	00	Oct. 31	By Profit & Loss...f.	11 545 80
Sep. 1	" ".....	3	75	00			
Oct. 24	" ".....	5	125	00			
" 25	" ".....	5	20	80			
" 31	" ".....	5	200	00			
			545	80			545 80

DR.		COLLEGE BANK.				CR.	
1870			\$	c.	1870		\$ c.
Aug. 16	To Bills Rec'ble	2	889	13	Sep. 28	By Burns & Murray	4 500 00
Sep. 12	" Cash.....	3	1500	00	Oct. 24	" Bills Payable.....	5 350 00
			2389	13	" 31	" Balance.....f.	13 1539 13
Nov. 1	To Balance.....		1539	13			2389 13

DR.		DISCOUNT.				CR.	
1870			\$	c.	1870		\$ c.
Aug. 16	To Bills Rec'ble.....	2	10	87	Oct. 31	By Profit & Loss...f.	11 10 87

DR. BAULD, GIBSON, & CO. CR.

1870				\$	c.	1870				\$	c.
Aug. 25	To Mdse.....	2	912	00		Sep. 2	By Cash.....	3	800	00	
" 28	" "	3	74	46		Oct. 31	" Balance	13	186	46	
			986	46					986	46	
Nov. 1	To Balance		186	46							

DR. PROFIT & LOSS. CR.

1870				\$	c.	1870				\$	c.
Sep. 1	To Mdse.....	3	250	00		Oct. 31	By ship "Emma".....	f. 10	634	00	
Oct. 31	" Expense.....	f. 10	545	80		" "	" Interest.....	f. 11	16	00	
" "	" Discount	f. 11	10	87		" "	" Ship't to Hx.	f. 12	39	50	
" "	" A.H.E.(Stk.ac.) f. 1	1029	23			" "	" Storage	f. 12	11	40	
" "	" J.C.P.F., " f. 1	1029	22			" "	" Commission.....	f. 13	85	45	
			2865	12		" "	" Mdse.....	f. 8	2078	77	
									2865	12	

DR. REAL ESTATE. CR.

1870				\$	c.						
Sep. 5	To Sundries.....	3	3200	00							

DR. INTEREST. CR.

1870				\$	c.	1870				\$	c.
Oct. 31	To Profit & Loss....	f. 11	16	00		Sep. 6	By Bills Rec'ble.....	3	16	00	

DR. A. H. EATON (Private acct.) CR.

1870				\$	c.	1870				\$	c.
Sep. 15	To Cash	3	150	00		Oct. 31	By A.H.E.(Stk.ac.) f. 1	150	00		

BOOK-KEEPING.

Dr.

J. C. P. FRAZEE (*Private acct.*)

Cr.

1870						1870					
Sep. 30	To Cash.....	4	\$	c.	45 00	Oct. 31	By J. C. P. F. (Sk. ac.)	1	\$	c.	125 00
Oct. 4	" "	4			80 00						
					125 00						125 00

Dr.

J. R. CURREY & CO.'S *Const.*

Cr.

1870						1870					
Oct. 1	To Cash.....	4	\$	c.	120 00	Oct. 6	By Sundries.....	4	\$	c.	1015 00
" 16	" Sundries.....	5			3298 00	" 15	" "	4			2408 00
					3418 00						3418 00

Dr.

J. & J. HEGAN.

Cr.

1870											
Oct. 10	To Mdse.....	4	\$	c.	174 40						

Dr.

SHIPMENT TO HALIFAX.

Cr.

1870						1870					
Oct. 12	To Sundries.....	4	\$	c.	481 50	Oct. 20	By Cash.....	5	\$	c.	521 00
" 31	" Profit & Loss...f.	11			39 50						
					521 00						521 00

Dr.

JARDINE & CO.

Cr.

1870											
Oct. 15	To J. R. C. & Co.'s con.	4	\$	c.	1003 00						

Dr.

STORAGE.

Cr.

1870						1870					
Oct. 31	To Profit & Loss...f.	11	\$	c.	11 40	Oct. 16	By J. R. C. & Co.'s con.	5	\$	c.	11 40

LEDGER.

13

Dr.				COMMISSION.				Cr.			
1870											
Oct. 31 To Profit & Loss...f. 11				\$ 85 45				1870			
								Oct. 16 By J.R. C. & Co.'s con. 5			
								\$ 85 45			

Dr.		J. R. CURREY & CO.				Cr.	
1870		\$	c.	1870		\$	c.
Oct. 29	To Bills Payable.....	5	2000 00	Oct. 16	By J. R. C. & Co.'s con.	5	3201 15
" 31	" Balance.....	f. 18	1201 15				
			3201 15				3201 15
				Nov. 1	By Balance.....		1201 15

Dr.		BALANCE.		Cr.		
1870		\$	c.	1870	\$	c.
Oct. 31	To Magee Bros.f.	1	366 88	Oct. 31	By R. T. Muir.....f.	2 108 00
" "	" Geo. Thomasf.	2	309 00	" "	" Burns & M.....f.	2 72 50
" "	" T. R. Jones.....f.	4	76 10	" "	" J. S. Turner.....f.	3 2782 75
" "	" Duffus & Co.f.	4	40 00	" "	" Daniel & Boyd...f.	3 370 37
" "	" Doull & Miller...f.	5	188 00	" "	" Logan & L.....f.	4 193 55
" "	" J. & A. McM....f.	5	597 25	" "	" Lawton & V....f.	6 240 50
" "	" F. S. Sharp.....f.	6	115 50	" "	" Bills Payable...f.	9 8725 00
" "	" Bills Rec'blef.	9	2216 00	" "	" J. R. C. & Co...f.	18 1201 15
" "	" Thomas Barnes f.	9	6 23	" "	" A. H. E. (Sk. ac.) f.	1 4230 38
" "	" Ship "Emma" f.	10	4000 00	" "	" J. C. P. F. " f.	1 4140 32
" "	" College Bank....f.	10	1539 13			
" "	" R., Gib. & Co...f.	11	186 46			
" "	" Real Estate.....f.	11	3200 00			
" "	" J. & J. Hegan...f.	12	174 40			
" "	" Jardine & Co...f.	12	1003 00			
" "	" Cash.....f.	7	2462 02			
" "	" Mdse.....f.	8	5580 00			
			23009 47			22009 47

BOOK-KEEPING.

BALANCE SHEET,

TRIAL BALANCE.

		BALANCE OF DAY BOOK.	Dr.		Cr.	
Page			\$	c.	\$	c.
"	1					
"	2					
"	3					
"	4					
"	5					
		Balance	8270	80		
			17402	85	17402	85
		BALANCE OF LEDGER.				
Folio	1	Magee Brothers	858	50	355	00
		Geo. Thomas	500	00	200	00
		R. T. Muir	400	00	150	00
		Burns & Murray	708	40	2068	40
		J. S. Turner	490	25	248	00
		Daniel & Boyd	2213	00	2750	00
		Logan & Lindsay	1500	00	1800	00
		T. R. Jones	542	40	520	40
		Duffus & Co.	308	00	268	00
		Doull & Miller	366	00		
		L. C. Eaton	117	70	82	25
		J. & A. McMillan	200	00	235	00
		Lawton & Vassie	550	30	1640	80
		F. S. Sharp	163	00	100	00
		A. H. Eaton (Stock acct.)	60	00	3500	00
		J. C. P. Frazee (Stock acct.)	75	00	3400	00
		Balance	8270	80		
			17317	85	17317	85

LEDGER.

July 31st, 1870. (Single Entry.)

CALCULATION SHOWING METHOD OF FINDING THE NET GAIN OR LOSS.

	\$	C.	\$	C.
Bal. of original Capital due A. H. Eaton	3440	00		
" " " J. C. P. Frazee	3325	00		
Total Bal. of original Capital			6765	00
Excess of Assets over Liabilities found below .			6587	20
DIFFERENCE—NET LOSS.			177	80
A. H. Eaton's half of Net Loss	88	90		
J. C. P. Frazee's " "	88	90		

	Assets.	Liabilities
Due from Magee Brothers	498 50	
" " Geo. Thomas	300 00	
" " R. T. Muir	250 00	
" to Burns & Murray		1360 00
" from J. S. Turner	242 25	
" to Daniel & Boyd		537 00
" " Logan & Lindsay		300 00
" from T. R. Jones	22 00	
" " Duffus & Co.	40 00	
" " Doull & Miller	366 00	
" " L. C. Eaton	35 45	
" to J. & A. McMillan		35 00
" " Lawton & Vassie		1090 50
" from F. S. Sharp	63 00	
Cash on hand per C. B.	2387 50	
Mdse. " " Inventory	6500 00	
Notes Rec'ble " B. B.	105 00	
Notes Payable, " B. B.		900 00
Balance due A. H. Eaton \$3440.00		
Less his Net Loss 88.90		3351 10
Balance due J. C. P. Frazee 3325.00		
Less his Net Loss 88.90		3236 10
	10809 70	10809 70

GENERAL QUESTIONS.

1. What is the Stock acct. ?
2. For what is it credited ?
3. For what is it debited ?
4. What does the difference represent ?
5. How does it close ?
6. What does the Dr. side of the Cash acct. represent ?
7. The Cr. side ?
8. What does the difference represent ?
9. How does it close ?
10. What does the Dr. side of the Bills Receivable represent ?
11. The Cr. side ?
12. What proves the acct. correct ?

Ans.—The balance agreeing with the total value of the notes unpaid.

13. How does it close ?
14. Is the balance an asset or liability ?
15. What does the Cr. side of the Bills Payable acct. represent ?
16. The Dr. side ?
17. With what must the balance correspond ?
18. Is the balance an asset or liability ?
19. What does the Dr. side of the Mdse. acct. represent ?
20. The Cr. side ?
21. How does it close when the goods are all sold ?
22. How, when a balance of goods remains unsold ?
23. What accts. always close into the Profit and Loss acct. ?
24. What does the Dr. side of the Profit and Loss acct. show ?
25. What, the Cr. side ?
26. How does it close ?
27. How do Private accts. close ?
28. What does the Dr. side of Balance acct. represent ?
29. What, the Cr. side ?
30. What do you understand by assets ?
31. What, by liabilities ?
32. How do all Personal accts. close ?

GENERAL QUESTIONS.

What will be your Journal entry—

If you commence business with a Cash capital of \$8000?

Cash.....	\$8000.00
To Stock.....	\$8000.00

If you commence with Cash \$3000, Mdse. \$2500, Notes against others \$1500, debt against Wm. Eaton \$500?

Cash.....	3000.00
Mdse.....	2500.00
Bills Rec'ble.....	1500.00
Wm. Eaton.....	500.00
To Stock.....	7500.00

Suppose you owe at this time on your Notes \$700, and to W. Wilson on acct. \$300?

Stock.....	1000.00
To Bills Pay....	700.00
„ W. Wilson..	300.00

If J. Jones buys \$700 worth of Mdse. on account?

J. Jones.....	700.00
To Mdse.....	700.00

If you sell Mdse. \$900, and receive Cash \$400, Note at 3 mos. \$500?

Cash.....	400.00
Bills Rec'ble.....	500.00
To Mdse.....	900.00

If you get the above Note discounted at the College Bank @ 7 per cent., avails deposited to your credit?

College Bank.....	490.96
Profit and Loss..	9.04
To Bills rec'ble	500.00

If you buy of J. Hastings Mdse. \$700, and give your Note for \$200, Cash \$300, Balance on acct. at 60 days \$200?

Mdse.....	700.00
To Bills Pay'ble	200.00
„ Cash	300.00
„ J. Hastings.	200.00

If you purchase for Cash a suit of clothes \$80, and a gold watch \$120?

Private acct.....	200.00
To Cash.....	200.00

If you exchange Notes with A. B. Capp for mutual accommodation, each Note drawn at 30 days for \$600?

Bills Rec'ble.....	600.00
To Bills Pay'ble	600.00

If you accept J. Smith's draft in favour of J. Cooper at 60 days for \$200?

J. Smith.....	200.00
To Bills Pay'ble	200.00

If you give a draft on Wm. Eaton in favour of W. L. Blair for \$300?

W. L. Blair.....	300.00
To W. Eaton...	300.00

If you receive a consignment of Goods from J. Masters to be sold on his acct., and pay Frt. on same in Cash \$120?

J. Masters' const.	120.00
To Cash.....	120.00

BOOK-KEEPING.

What will be your Journal entry—

Suppose J. Masters draws a draft on you at the same time, on acct. of the const., and you accept the draft at 60 days for \$1500?

J. Masters.....	\$1500.00
To Bills Pay'ble	\$1500.00

If you ship Mdse. to S. Kerr (Canning), to be sold on your acct. for \$500?

Ship't to Canning	500.00
To Mdse.....	500.00

If you sell from J. Masters' const. \$1300, and receive Cash \$700, Note for bal. \$600?

Cash.....	700.00
Bills Rec'.....	600.00
To J. Masters' const.	1300.00

If you receive an account Sales from S. Kerr (Canning), of Mdse. shipped to be sold on your acct., P. recd. in Cash \$600?

Cash.....	600.00
To Ship't to Canning	600.00

If you buy House and Lot on Leinster St. for \$4000, and give a check on College Bank for \$2000, your Notes at 3 and 6 mos. for \$1400, and a Note which you held against A. B. Capp for \$600?

Real Estate.....	4000.00
To College Bank	2000.00
„ Bills Pay....	1400.00
„ Bills Rec'ble	600.00

Suppose you ship Mdse. to Chipman & Co., Halifax, to be sold on your acct. \$900, and pay Freight on same in Cash \$20?

Ship't to Halifax	920.00
To Mdse.....	900.00
„ Cash.....	20.00

If you receive from G. Bent (St John) Mdse., to be sold on his acct., and give your Note at 1 mo. for Freight, \$15?

G. Bent's const.	15.00
To Bills Pay'ble	15.00

If you sell $\frac{1}{2}$ of ship "Emma" for \$7000, and receive Cash \$3000, Note at 3 mos. \$2000, and a House and Lot on King St. for \$2000?

Cash.....	3000.00
Bills Rec'ble.....	2000.00
Real Estate.....	2000.00
To ship "Emma"	7000.00

If you sell \$800 worth from G. Bent's const., and receive Cash \$300, Note \$300, and an order on Everett & Butler for \$200?

Cash.....	800.00
Bills Rec'ble.....	300.00
Everett & Butler	200.00
To G. Bent's const.	800.00

GENERAL QUESTIONS.

What will be your Journal entry—

If you sell the remainder of G. Bent's const. for \$800, and receive in payment your own acceptance for \$200, J. Smith's draft on you for \$300, and an order on J. Prichard for bal. \$300?

Bills Payable.....	\$200.00
J. Smith.....	300.00
J. Prichard.....	300.00
To G. Bent's const.	\$800.00

If you close the const., and render G. Bent an acct. Sales, Storage \$6, Commission on Sales @ 2½ per cent. \$40, G. Bent's Net Proceeds \$1539?

G. Bent's const.	1535.00
To Storage.....	6.60
„ Com'n.....	40.00
„ G. Bent.....	1539.00

If you buy a draft at the Bank for Cash and remit his proceeds?

G. Bent.....	1539.00
To Cash.....	1539.00

If A. B. Capp should fail to meet his Note in Bank for \$600, and allow it to be protested, and you pay the same with protest fee in Cash \$603?

Bills Rec'ble....	600.00
A. B. Capp.....	3.00
To Cash.....	603.00

If he should become Insolvent and compound with you @ 50c. on the dollar for above Note Recd. Cash \$301.50, the bal. is a Loss \$301.50?

Cash.....	301.50
Profit and Loss..	301.50
To Bills Rec'ble	600.00
„ A. B. Capp..	3.00

If you lose your purse with \$75 Cash in it?

Profit and Loss..	75.00
To Cash.....	75.00

If you find \$95 Cash and cannot find the owner?

Cash.....	95.00
To Profit and Loss	95.00

If you lose \$300 worth of Mdse. by fire or flood (uninsured)?

Profit and Loss..	300.00
To Mdse.....	300.00

If you draw on T. R. Jones for \$355, and sell the bill for Cash less \$5?

Cash.....	350.00
Profit and Loss..	5.00
To T. R. Jones	355.00

If T. R. Jones refuse to accept, and the draft is returned, you pay the draft in full, by Cash \$355?

T. R. Jones.....	355.00
To Cash.....	355.00

If you buy a draft at 1 mo. sight on College Bank, Halifax, at 5 per cent. premium for \$1000?

Bills Rec'ble.....	1000.00
Profit and Loss..	50.00
To Cash.....	1050.00

BOOK-KEEPING.

What will be your Journal entry—

If you buy @ 5 per cent. discount?

Bills Rec'ble.....	\$1000.00	
To Cash.....		\$950.00
„ Profit and Loss		50.00

If you sell this bill at 10 per cent. premium for Cash?

Cash.....	1100.00	
To Bills Rec'ble		1000.00
„ Profit and Loss		100.00

If you sell it at 10 per cent. discount for Cash?

Cash.....	900.00	
Profit and Loss..	100.00	
To Bills Rec'ble		1000.00

If you sell Everett & Butler \$870 worth of Mdse., and receive in payment D. H. Hall's draft @ 60 days on you for \$460, order on W. S. Calhoun \$200, their Note at 30 days for bal. \$215.64, Disct. off D. H. Hall's draft 63 days 7 per cent.

D. H. Hall.....	460.00	
W. S. Calhoun...	200.00	
Bills Rec'ble.....	215.64	
To Mdse.....		\$70.00
„ Profit & Loss		6.64

ADDITIONAL SET FOR PRACTICE.

THE following set of transactions, arranged in Day Book form, is given to afford additional practice to the student. If correctly worked out, the Ledger will give the results exhibited in the form of Balance Sheet given on pages 114 and 115.

ADDITIONAL SET FOR PRACTION.

1

YARMOUTH, December 1st, 1870.

1870			\$	c.	\$	c.
Dec.	1	I have this day commenced business with the following effects :—				
		Cash	20000	00		
		Bills Receivable	10000	00		
		Ship "Emma"	15000	00		
		Merchandise valued at	8000	00		
		Daniel & Boyd owe me on acct.	8000	00		
		Jardine & Co. " " "	4000	00		
		Thos. R. Jones owes " "	2000	00	60000	00
		I owe as follows :—				
		Bills Payable	4000	00		
		Doull & Miller, on acct.	3500	00		
		Burns & Murray "	2500	00		
		Duffus & Co. "	4850	00		
		Geo. Thomas "	5150	00	20000	00
"	4	Sold L. C. Eaton, on his Note @ 1 mo.—				
		400 bbls. Flour @ \$5.00	2000	00		
		200 pos. London Prints @ 5.00	1000	00	3000	00
"	5	Bought of Manchester, Robertson, & Allison, St John—				
		Mdse. per Invoice No. 1			2500	00
		Gave in payment—Cash	1500	00		
		" my Notes @ 3 and 6 mos.	1000	00		
"	"	Bought of H. Chubb & Co. for Cash—				
		Mdse. per Invoice No. 2 (Stationery)			1500	00
"	7	Sold Geo. Thomas on acct.—				
		100 bbls. Stone Mill Flour @ \$5.00				
		10 " Corn Meal @ 3.00				
		15 " Rye Flour @ 3.00				
"	"	Deposited in College Bank, Cash			7000	00
"	"	Accepted Doull & Miller's Draft on me in favour of				
		A. & T. Gilmour at 30 days, for			2000	00
"	8	Rec'd from Daniel & Boyd, Cash on acct.			2000	00
"	10	Paid sundry Notes due this day			2500	00
"	"	Shipped per str. "Linda," and Consigned to J. R.				
		Currey & Co., St John, to be sold on my acct.—				
		100 bbls. fine Flour @ \$6.00				
		100 " Corn Meal @ 4.00				

BOOK-KEEPING.

YARMOUTH, December 12th, 1870.

1870									
Dec.	12	Rec'd from Hall & Fairweather, St John, per str. "Linda" to be sold on their acct.—							
		20 hhds. Sugar							
		50 boxes Raisins							
		50 bags Coffee							
		Paid freight, &c., on above in Cash						20	00
"	"	Shipped Everett & Butler, St John, per the Order of Duffus & Co., Halifax—							
		10 pos. 400 yds. Brussels Carpeting	@	\$1.50					
		80 " Merrimac Prints	@	5.00					
		75 " English	@	4.00					
		40 " Saxon Flannel	@	3.00					
"	"	Paid Burns & Murray on acct., Cash						1000	00
"	15	Rec'd Cash on Notes due this day						5000	00
"	"	Paid Geo. Thomas on acct., Cash						2500	00
"	"	Sold Logan & Lindsay for Cash from Hall & Fair- weather's const.—							
		15 hhds. Sugar, 15000 lbs.	@	\$0.10					
		25 boxes Raisins	@	3.00					
		20 bags Coffee, 1000 lbs.	@	.25					
"	16	Bought of Black, Bros., & Co.—							
		Mdse, per Invoice No. 3						2800	00
		Gave in payment, Cash				500	00		
		" my Note at 3 mos.				700	00		
		" Draft on Jardine & Co., at 60 days				1500	00		
		Balance on acct. at 3 mos.				100	00		
"	20	Sold W. L. Evans on his Note at 3 mos. the remainder of Hall & Fairweather's const.—							
		5 hhds. Sugar, 5000 lbs.	@	\$0.10					
		30 bags Coffee, 1500 lbs.	@	.25					
		25 boxes Raisins	@	3.00					
"	"	Closed Hall & Fairweather's Const. and rendered them an acct. Sales—							
		Storage				500			
		Commission on Sales at 2½ per cent. Hall & Fairweather's net proceeds.							
"	21	Rec'd an acct. Sales of Mdse. shipped J. R. Currey & Co., St John, to be sold on my acct.—							
		My net proceeds due 31st inst.						1100	00
"	"	Rec'd Cash for retail sales this day						600	00

ADDITIONAL SET FOR PRACTICE.

YARROUTH, December 22d, 1870.

1870	Dec.	22	Bought for Cash House and Lot on King St., No. 46			\$	5000	00
	"	28	Gave Geo. Thomas a draft at 8 days on J. R. Currey & Co., for N. P. of Shipment to St John					
	"	"	Sold Chipman & Co.— 150 bbls. superfine Flour @ \$6.00 20 chests Tea, 500 lbs. @ .50 1 suit fine Clothes Rec'd in payment—Cash Their Note @ 8 mos. Balance on acct. at 80 days	45 800 800				
	"	"	Discounted above Note at College Bank . . Received Cash N. P. Discount for 98 days at 6 per cent.	492 28 7 76			500	00
	"	26	Bought of Manchester, Robertson, & Allison, St John, on acct.— Mdse. per Invoice No. 4 Paid Freight on same in Cash	2100 60				
	"	"	Sold Seammeli Bros. for Cash— 25 lbs. White Sugar @ \$0.20 20 " Tea @ 0.50 40 " Rice @ 0.10 9 bbls. Apples @ 4.00 5 " Flour @ 6.00					
	"	28	Bought of Everett & Butler, St John— Mdse. per Invoice, No. 5 Gave in payment Draft at sight on Thos. R. Jones for Draft at 80 days on Jardine & Co. for Cash Balance on acct. at 60 days	800 00 250 00 100 00 50 00			700	00
	"	"	Exchanged Notes with N. Eaton for mutual accommodation, each Note drawn at 80 dys. for same sum...					700 00
	"	30	Insured my House on King St., valued at \$8000 in the London Insurance Co. at 1 per cent. Also Mdse. in Store value \$5000 @ 1 per cent. Premium paid in Cash.					
1871	Jan.	"	Paid Notes due this day in Cash				1800	00
		1	Sold B. Smith, Windsor— One half (1/2) of ship "Emma" for Received in Payment Cash his Note at 90 days for bal.			6000	00	8000 00

BOOK-KEEPING.

YARMOUTH, January 1st, 1872.

1871									
Jan.									
1	Gave Manchester, Robertson, & Allison above note to apply on acct.								
"	4 Sold Jardine & Co. on acct.— 4 hhds. Sugar, 1220, 1230, 1230, 1250 lbs.— Total, 6000 lbs. gross. Tare 10 per cent. 600 Net 5400 @ 10 cents. 260 pos. Merrimac Prints . . . @ \$3.00							2000 00	
"	" Rec'd Cash for L. C. Eaton's note due this day . . .							3000 00	
"	5 Paid A. & T. Gilmour Cash for suit of Clothes for myself . . .							45 00	
"	6 Paid Clerks in full to 1st inst. vis. Cash Mdse.					175 00 125 00		300 00	
"	" Paid my acceptance due this day in favour of A. & T. Gilmour							2000 00	
"	10 Rec'd from Scammell Bros., St John, per str. "Linda" to be sold on their acct.— 150 bbls. Spring Grove Flour. 100 boxes Raisins. 50 firkins Butter. Paid Freight on same in Cash							35 00	
"	" Rec'd Cash on notes due this day							5000 00	
"	15 Paid by board bill, 2 mos. to date							30 00	
"	" Sold J. Churchill for Cash from Scammell Bros.' consignment— 100 bbls. Flour @ \$6.00 25 firkins Butter, 1250 lbs. @ .20 50 boxes Raisins @ 3.00 Also from my own goods— 25 lbs. Tea @ .40 50 " Sugar @ .20 8 bbls. Apples @ 4.00 6 " Corn Meal @ 4.00								
"	16 Rec'd from T. R. Jones on acct., Cash					800 00			
"	" Daniel & Boyd " "					700 00			
"	" Jardine & Co. " "					500 00			
"	18 Lost by fire in Storehouse last night, Mdse. to amt. of (No Insurance)							800 00	

ADDITIONAL SET FOR PRACTICE.

5

YARMOUTH, Jan. 18th, 1871.

1871			\$	c.	\$	c.
Jan. 18	Shipped Chipman & Co., Halifax, per atm. "M. A. Star" to be sold on my acct.—					
	500 bush. Potatoes @ \$0.40					
	200 " Turnips @ 0.25					
	200 bbls. Apples @ 3.50					
	200 boxes Dried Herring @ .50					
	Paid Shipping expenses in Cash		50	00		
" 19	Sold N. K. Clements & Co. on their Note at 3 mos., bal. damaged goods remaining in Storehouse, for				500	00
" "	Bought of Everett & Butler—					
	Mdse. per Invoice No. 5					
	Gave in Payment Check on College Bank	1500	00		8000	00
	N. K. Clement & Co.'s Note in my favour	500	00			
	My Order on T. R. Jones for	500	00			
	Balance on acct. @ 2 mos.	500	00			
" "	Paid Cash for disbursements of ship "Emma"				700	00
" 20	Paid Doull & Miller on acct. Cash	500	00			
	" Burns & Murray "	400	00			
	" Duffus & Co. "	700	00			
" "	Accepted Hall & Fairweather's Draft on me @ 10 days for amt. of acct.				2550	62
" 22	Sold for Cash the remainder of Scammell Bros.' const.—					
	50 bbls. Flour @ \$6.00					
	50 boxes Raisins @ 3.00					
	25 firkins Butter, 1250 lbs. @ .20					
" "	Closed Scammell Bros.' const. and rendered them an acct. sales—					
	Storage	5	00			
	Commission on Sales at 2½ per cent.					
	Net Proceeds remitted in Cash.					
" 24	Received Cash for Freight from ship "Emma"				1700	00
" 25	Loaned J. R. Currey & Co., St John, on acct., Cash	125	00			
	Sold them—30 pcs. Merrimac Prints @ \$3.50					
	100 yds. Canadian Tweed @ .75					
	50 " Furniture Prints @ .40					
" 28	Rec'd from Chipman & Co. an acct. sales of my Ship't to Halifax—					
	My Net Proceeds received in Cash				1200	00
	INVENTORIES. On taking Stk there is found on hand—					
	Mdse. valued at \$8000					
	Real Estate, House and Lot 8000					
	Ship "Emma" (½) 7000					

NOTE.—If the foregoing Exercises be worked out correctly, the result will correspond with the following Balance Sheet.

BOOK-KEEPING.

BALANCE SHEET,

LEDGER TITLES.	L. F.	Trial Balance.				Inventories.	
		Dr.		Cr.		\$	c.
		\$	c.	\$	c.		
Stock		20000	00	60000	00		
Cash		50978	25	32680	50		
Bills Receivable		17650	00	16000	00		
Ship "Emma"		15700	00	9700	00	7000	00
Merchandise		18700	00	11946	00	8000	00
Daniel & Boyd		3000	00	2700	00		
Jardine & Co.		5320	00	2250	00		
T. R. Jones		2000	00	1600	00		
Bills Payable		6000	00	11080	62		
Doull & Miller		2500	00	3500	00		
Burns & Murray		1400	00	2500	00		
Duffus & Co.		2120	00	4850	00		
Geo. Thomas		4175	00	5150	00		
College Bank		7000	00	1500	00		
Shipment to St John		1000	00	1100	00		
Black Bros. & Co.				100	00		
Storage				13	00		
Commission				111	88		
J. R. Currey & Co.		1425	00	1100	00		
Real Estate		8080	00			8000	00
Chipman & Co.		395	00				
Discount		7	75				
Manchester, Robertson, & Allison		2000	00	2100	00		
Everett & Butler				550	00		
Private acct.		75	00				
Expense		300	00				
Profit & Loss		800	00				
Shipment to Halifax		1106	00	1200	00		
		171732	00	171732	00	23000	00

Net gain.....

January 31st, 1871.

(418)

APPENDIX:

STERLING EXCHANGE.

THE term *Bills of Exchange* is often abbreviated into "Exchange," as when we say, "to buy Exchange," "to sell Exchange," &c.

A Bill of Exchange is a written order or request from one person to another, desiring the latter to pay to some person designated in the bill, or to his order, a certain sum of money therein named.

Bills of Exchange are extremely useful in Commerce. They enable persons at a distance from each other to make payments from one to another without the transmission of money, and thus avoid the danger of its being lost.

Foreign Bills of Exchange are such as are drawn in one country and payable in another. Inland Bills are such as are drawn and payable in the same country.

Bills of Exchange payable in Great Britain are called Sterling Bills of Exchange, and are bought and sold by the merchants of this country to a very large extent, and it is therefore a matter of importance for every one to be able readily to convert any sum in Sterling to its equivalent in our currency at the rates at which these bills are generally negotiated.

The old par value of the Pound Sterling was \$4.44 $\frac{1}{2}$ or \$4 $\frac{10}{16}$; but, at the present time, and for many years past, it has been considerably greater, and is expressed by so much per cent. above that old par value. In the Dominion of Canada and in the United States, the present Commercial par is 109 $\frac{1}{2}$, which

APPENDIX.

means that it is $9\frac{1}{2}$ per cent. above the old par, which makes the Pound Sterling equal to \$4.86 $\frac{1}{2}$.

Sterling Bills are not always bought and sold at these rates, but at rates usually a little higher than these, though sometimes also lower.

TO CONVERT STERLING INTO OUR CURRENCY.

RULE.—To 40 add the premium on itself at the quoted rate, multiply the sum by the number representing the amount of Sterling, and divide the result by 9; the quotient will be the equivalent of the Sterling money in dollars and cents. If there be shillings, pence, &c., they must be expressed in the decimal of a pound.

EXAMPLES.

The Value of £1

At 9	per cent.	or 109	=	$\frac{40 \times 1.09}{9}$	=	$\frac{43.60}{9}$	=	\$4.84 $\frac{4}{9}$
"	$9\frac{1}{2}$	"	"	$109\frac{1}{2}$	=	$\frac{40 \times 1.09\frac{1}{2}}{9}$	=	$\frac{43.80}{9}$ = 4.86 $\frac{2}{3}$
"	8	"	"	108	=	$\frac{40 \times 1.08}{9}$	=	$\frac{43.20}{9}$ = 4.80
"	10	"	"	110	=	$\frac{40 \times 1.10}{9}$	=	$\frac{44.00}{9}$ = 4.88 $\frac{2}{3}$

$$\text{The Value of } £250 \text{ at } 110 = \frac{40 \times 1.10 \times 250}{9} = \$1222.22\frac{2}{3}.$$

$$\begin{aligned} \text{The Value of } £375 \text{ } 17 \text{ } 6 &= £375.875 = \text{at } 109\frac{1}{2} = \\ &\frac{40 \times 1.09\frac{1}{2} \times 375.875}{9} = \$1833.43. \end{aligned}$$

TO REDUCE OUR CURRENCY TO STERLING.

RULE.—Multiply the quotation rate, that is, 1.09, 1.10, 1.10 $\frac{1}{2}$, &c., by 40, and divide the product into 9 times the given sum in our currency.

BOOK-KEEPING.

EXAMPLES.

Reduce \$2567.94 to Sterling at 1.10.

$$\begin{array}{r}
 1.10 \quad 2567.94 \\
 40 \quad \quad 9 \\
 \hline
 44.00 \quad 28111.46 (\pounds 2525 \ 5 \ 2\frac{1}{2} \text{ Ans.} \\
 22000 \\
 \hline
 11114 \\
 8800 \\
 \hline
 23146 \\
 22000 \\
 \hline
 1146 \\
 20 \\
 \hline
 22920 \\
 22000 \\
 \hline
 920 \\
 12 \\
 \hline
 11040 \\
 8800 \\
 \hline
 2240 \\
 4 \\
 \hline
 8960
 \end{array}$$

Reduce \$1169.76 to Sterling at 1.09 $\frac{1}{2}$.

$$\begin{array}{r}
 1.09\frac{1}{2} \quad 1169.76 \\
 40 \quad \quad 9 \\
 \hline
 43.80 \quad 10527.84 (\pounds 240 \ 7 \ 3 \text{ Ans.}
 \end{array}$$

EXERCISES.

1. When Sterling Exchange is at 9 $\frac{1}{2}$ per cent. premium, what is the value of \$1000?

Ans. £205 19 0.

2. At 110, what would a Bill on London for £618 12 9 cost?

Ans. \$3024.45.

APPENDIX

The following methods of reducing Sterling to our currency, at different rates of Exchange, will often be found convenient:—

At 1.09½. **RULE.**—Reduce the amount in Sterling to currency at \$4 to the £1, and to that result add the aliquot parts for 86½ cents, viz., ¼ for 80 cents and ⅙ of that for 6½ cents; the result is the amount in our currency.

EXAMPLE.

Reduce £84 13 9 Sterling to our currency @ 1.09½.

$$\begin{array}{rcl}
 & 4 & \\
 \hline
 836 & = & \text{value of } £84 \text{ @ } \$4. \\
 2.75 & = & \text{" } 13s. 9d. \text{—i.e., } 10s. = \$2, \text{ and } 3s. 9d. = 75 \text{ cents.} \\
 \frac{1}{4} & 338.75 & = \text{" @ } \$4 \text{ per } £1. \\
 \frac{1}{6} & 67.75 & = \text{" @ } 80 \text{ cents.} \\
 & 5.65 & = \text{" @ } 6\frac{1}{2} \text{ " nearly.} \\
 \hline
 & \$412.15 & \text{Ans. to the nearest cent.}
 \end{array}$$

In the above example, and all others of the same kind, the value @ 6½ cents represents the premium @ 1½ per cent., and, consequently, the value @ 1.10 may be found by merely adding to the value @ 1.09½, ⅙ of the value @ 6½ cents, as found above.

At 1.10. **RULE.**—To the value @ \$4 per £1 add ⅙ of the same repeated twice; the result is the value in our currency.

EXAMPLE.

Reduce £76 19 4 to our currency @ 1.10.

$$\begin{array}{rcl}
 & 4 & \\
 \hline
 304 & = & \text{value of } £76 \text{ @ } \$4. \\
 3.87 & = & \text{" } 19s. 4d. \text{—i.e., } 15s. = \$3, \text{ and } 4s. 4d. = 87 \text{ cents.} \\
 \frac{1}{6} & 307.87 & = \text{" } \$4. \\
 & 34.21 & = \text{" } \$\frac{1}{2}. \\
 & 34.21 & = \text{prem. @ } 10 \text{ per cent.} \\
 \hline
 & \$376.29 & \text{Ans. @ } 10 \% \text{ prem. or } 1.10.
 \end{array}$$

When Sterling is reduced @ 1.10 by the last method, the value at almost any other rate is easily obtained. For example,

Reduce £420 7 8 @ 1.09½—i.e., ⅙ less than 1.10.

$$\begin{array}{rcl}
 & 4 & \\
 \hline
 \frac{1}{6} & 1681.53 & @ \$4. \\
 & 186.836 & @ \$\frac{1}{2}. \\
 \frac{1}{6} \% = \frac{1}{6} & \text{of } 186.836 & \text{prem. @ } 10 \%. \\
 & 2055.202 & @ 1.10. \\
 & 2.835 & \text{subtract } \frac{1}{6} \text{ of } 10 \% = \text{value @ } \frac{1}{6} \%. \\
 \hline
 & \$2052.87 & \text{Ans. @ } 1.09\frac{1}{2}.
 \end{array}$$

To get ⅙, divide by 8, and set the figures one place to the right.

Reduce £735 7 10½ @ 1.10½.

$$\begin{array}{rcl}
 & 4 & \\
 \hline
 \frac{1}{6} & 2941.575 & @ \$4. \\
 & 326.841 & @ \$\frac{1}{2}. \\
 \frac{1}{6} & 326.841 & \text{prem. @ } 10 \%. \\
 & 16.842 & \text{" @ } \frac{1}{6} \%. \\
 \hline
 & \$3611.60 & \text{Ans. @ } 1.10\frac{1}{2}.
 \end{array}$$

AMERICAN EXCHANGE.

When gold is at 115, how much American currency must be given for \$300 of gold?

SOLUTION.—When gold is at 115, \$1 gold is worth \$1.15 in currency; therefore \$300 would be worth 300 times \$1.15 = \$345, ANS.

How much American currency, at a discount of 20 per cent, must be paid for \$500 gold?

SOLUTION.—When American currency is at 20 per cent. discount, \$1 of it is worth only 80 cents in gold, that is 80 cents in gold = 1.00 currency, therefore \$500 gold will be as many times one dollar currency as 80 cents is contained in \$500, hence $\$500 \div 80 = \625 , ANS.

How much gold at 113 can be bought for \$158.30 American currency?

SOLUTION.—When gold is at 113, \$1 gold is equal to \$1.13 currency; therefore in \$158.20 there will be as many gold dollars as the number of times \$1.13 is contained in \$158.20, that is, divide \$158.28 by 1.13 = \$140, ANS.

How much gold can be bought for \$150 American currency which is at a discount of 15 per cent.

SOLUTION.—When American currency is at a discount of 15 per cent., \$1 of it is worth 85 cents, and therefore \$150 is worth 150 times 85 cents = \$127.50, ANS.

EXERCISES.

1. I exchanged \$750 of American currency at discount of 18 per cent. for gold. How much did I get?

ANS. \$615.

2. Bought a suit of clothes in St John for \$35 and paid for them in American currency at 32 per cent. discount. How much had I to pay?

ANS. \$51.47.

Additional exercises may be found in Eaton's Commercial Arithmetic.

APPENDIX.

TO CONVERT NOVA SCOTIA CURRENCY INTO CANADA CURRENCY.

RULE.—Deduct $2\frac{1}{2}$ per cent. by the following method:—

Multiply the amount in Nova Scotia currency by 2 (without setting down the 2), and set the product under the given sum, two places to the right; divide this product by 3, setting the quotient directly under it; then add these two results together (carrying to the cents 2 if the mills amount to 15 or more, or 1 if the mills amount to less than 15 and more than 4) and subtract the sum from the given amount. The quotient will be the equivalent in Canada currency.

NOTE.—If care be taken to place the figures as directed above, the discount will come in a convenient place for subtracting, and no confusion will arise. The decimal points in all the numbers should be kept directly under one another. If this plan be practised a short time, there will be no need of currency tables.

EXAMPLES.

1. Reduce \$45.00 N. S. currency to its equivalent in Canada currency.

$$\begin{array}{r}
 .90 \text{ product by 2, set two places to the right.} \\
 .30 \text{ quotient by 3.} \\
 \hline
 1.20 \text{ sum—discount to be subtracted.} \\
 \hline
 \$43.80 \text{ remainder, Canada currency.}
 \end{array}$$

2. Reduce \$19.86 N. S. currency to its equivalent in Canada currency.

$$\begin{array}{r}
 .3972 \text{ product by 2, set two places to the right.} \\
 .132 \text{ quotient by 3 carried as far as necessary.} \\
 \hline
 .53 \text{ sum—discount to be subtracted.} \\
 \hline
 \$19.33 \text{ remainder, Canada currency.}
 \end{array}$$

3. Reduce \$573.98 N. S. currency to its equivalent in Canada currency.

$$\begin{array}{r}
 11.47.96 \text{ product by 2.} \\
 3.82.6 \text{ quotient by 3.} \\
 \hline
 15.31 \text{ sum. Carry 2 for 15 mills.} \\
 \hline
 \$558.67 \text{ remainder, Canada currency.}
 \end{array}$$

BOOK-KEEPING.

MERCANTILE FORMS.

MONEY ORDER.—(See May 20, page 27.)

\$88.00

HALIFAX, *May* 20, 1870.

Messrs DOULL & MILLER :

Please pay to the order of Eaton & Frazee Eighty-eight Dollars, for value received, and charge to the acct. of
DUFFUS & CO.

AN ORDER FOR MERCHANDISE.—(See May 10, page 27.)

\$45.00

ST JOHN, *May* 10, 1870.

Messrs EATON & FRAZEE :

Please pay A. B. Capp, or order, Forty-five Dollars in Merchandise from your Store, and charge to the acct. of
J. HUNT.

DUE BILL, PAYABLE IN GOODS.

\$55.00

HALIFAX, *Jan.* 20, 1871.

Due A. J. Smith or order, on demand, Fifty-five Dollars in Merchandise, for value received.

EATON & FRAZEE.

RECEIPT IN FULL.

\$25.00

ST JOHN, *Jan.* 12, 1871.

Received from Mr A. H. Eaton Twenty-five Dollars in full of all demands to date.

L. C. EATON.

RECEIPT ON ACCT.—(See June 5, page 28.)

\$200.00

ST JOHN, *June* 5, 1870.

Received from Geo. Thomas Two Hundred Dollars on acct.

EATON & FRAZEE.

APPENDIX.

RECEIPT FOR MONEY PAID FOR ANOTHER.

\$57.30

HALIFAX, *Feb. 4, 1871.*

Received from J. C. P. Frazee Fifty-seven Dollars Thirty Cents to apply on acct. of A. H. Eaton.

R. T. MUIR

RECEIPT FOR AN ENDORSEMENT UPON A NOTE.

\$300.00

SUSSEX, *Jan. 16, 1871.*

Received from Fred. Smith Three Hundred Dollars which is endorsed upon his note.

W. T. MCLEOD.

A PROMISSORY NOTE.—(See May 12, page 27.)

\$700

ST JOHN, *May 12, 1870.*

Three months after date, for value received, we promise to pay Logan & Lindsay, or order, Seven Hundred Dollars.

EATON & FRAZEE.

A JOINT PROMISSORY NOTE.

\$150.00

ST JOHN, *Feb. 4, 1871.*

Three months after date, for value received, we, or either of us, promise to pay to J. & A. McMillan, or order, One Hundred and Fifty Dollars.

A. H. EATON.

J. C. P. FRAZEE.

AN INLAND BILL OR DRAFT.

\$1500.00

HALIFAX, *Jan. 12, 1871.*

Thirty days after sight, pay to the order of H. Chubb & Co. Fifteen Hundred Dollars, value received, and charge to the acct. of

EATON & FRAZEE.

To A. JARDINE & Co.,

Merchants, St John, N.B.

BOOK-KEEPING.

A SET OF EXCHANGE.

£500 0 0

HALIFAX, Jan. 30, 1871.

Sixty days after sight of this our first of Exchange (second and third of the same date and tenor unpaid) pay to the order of D. H. Starr Five Hundred Pounds Sterling, value received, and charge to the acct. of

EATON & FRAZEE.

To VAUGHAN BROS. & Co.,

Ship Brokers, Liverpool.

£500 0 0

HALIFAX, Jan. 30, 1871.

Sixty days after sight of this our second of Exchange (first and third of the same date and tenor unpaid) pay to the order of D. H. Starr Five Hundred Pounds Sterling, value received, and charge to the account of

EATON & FRAZEE.

To VAUGHAN BROS. & Co.,

Ship Brokers, Liverpool.

£500 0 0

HALIFAX, Jan. 30, 1871.

Sixty days after sight of this, our third of Exchange (first and second of the same date and tenor unpaid), pay to the order of D. H. Starr Five Hundred Pounds Sterling, value received, and charge to the account of

EATON & FRAZEE.

To VAUGHAN BROS. & Co.,

Ship Brokers, Liverpool.

A LETTER OF INTRODUCTION.

HALIFAX, Jan. 14, 1871.

DEAR SIR,

We have the pleasure of introducing to you H. A. De Wolf, Esq., Merchant of this City. While in St John he wishes to confer with you on some business, the nature of which he will himself make known to you.

We are, Dear Sir,

Yours very truly,

To JAS. MANSON,

St John, N. B.

EATON & FRAZEE.

APPENDIX.

A LETTER WITH AN ORDER.

YARMOUTH, N.S., Feb. 15, 1871.

Messrs BARNES & Co. :

Gentlemen,

Please forward the following goods per str. "Linda" at your earliest convenience, as my stock of the articles enumerated is short.

I am, Gentlemen,

Yours respectfully,

S. M. RYERSON.

15 Reams Foolscap, Cream Laid, ruled.

16 Doz. Slates, 12 x 16.

2 „ Photograph Albums.

24 „ Eaton's Commercial Arithmetic.

24 „ Eaton & Frazee's Book-keeping, with full sets of Blank Books for same.

3 „ bottles Stephens' Blue Black Writing Fluid.

A LETTER OF CREDIT.

HALIFAX, Feb. 15, 1871.

DEAR SIR,

If the bearer, Mr Geo. A. Thomson, desires to make any purchases of goods of you on credit, you may consider us responsible to you for payment for the same to any amount not exceeding Twelve Hundred Dollars (\$1200). In the event of his failing to make his payment according to agreement, we require you to give us timely notice of the same.

We are, Dear Sir,

Yours respectfully,

EATON & FRAZEE.

To SHERATON, SON, & SKINNER,
Merchants, St John.

BOOK-KEEPING.

ACCOUNT SALES of 20 hhds. Sugar, 50 boxes Raisins, 50 bags Coffee, for account of
Hall & Fairweather, St John:—

1870							
Dec.	15	Sold Logan & Lindsay, for Cash—					
		15 hhds. Sugar, 15000 lbs. @ \$0.10		\$1500 00			
		20 bags Coffee, 1000 " @ .25		250 00			
		25 boxes Raisins @ 3.00		75 00		1825 00	
Dec.	20	Sold W. L. Evans on his Note at 3 mos. :—					
		5 hhds. Sugar, 5000 lbs. @ .10		500 00			
		30 bags of Coffee, 1500 " @ .25		375 00			
		25 boxes Raisins @ 3.00		75 00		950 00	
		CHARGES.				2775 00	
		Cash paid Freight		20 00			
		Storage		5 00			
		Commission on Sales at 2½ per cent.		69 38		94 38	
		Hall & Fairweather's N. P. due Jan. 17th, '71.					
		[E. & O. E.] CLARENCE CHRISTIE,				2680 62	
		Com. Merchant.					

See Page 110.

OPINIONS OF THE PRESS.

From the St John "Daily Telegraph and Journal."

EATON & FRAZEE'S ELEMENTARY BOOK-KEEPING. By A. H. EATON, Principal of the Commercial College, St John, and J. C. P. FRAZEE, Principal of the Commercial College, Halifax.

The advance sheets of this work have been submitted to our inspection and were carefully examined. It is an eminently practical work, and is intended either for the use of schools or persons desirous of teaching themselves. It begins by teaching the simplest principles of the art, and gradually leading the pupil up to the most complicated forms used in ordinary commercial transactions. These principles are not taught by long dissertations on the philosophy of the relations of debt and credit, as is too often attempted in works of this class, but by practical examples given as answers to practical questions. It is no fancy system founded on ideas of perfection in the authors' brain, and intended to revolutionise or reform the science, but just such a system as is commonly used by business men. There is nothing in it that the student will require to unlearn after being placed in a counting-room. More importance is attached in this work to single entry than is usual in such books, and a balance sheet is given at the close of a set of books kept in this manner that shows the exact state of the business as minutely as though double entry had been

OPINIONS OF THE PRESS.

employed. The same business is recorded in a double entry set, and a balance sheet made up showing the net gains and losses, net stock, assets and liabilities—in fact, the whole business, at a glance. Besides the usual definitions of commercial terms and examples of mercantile forms of all kinds, there are Exchange Tables for converting Sterling funds, United States currency at any state of the gold market, and Nova Scotia money into Canadian currency. The rule by which this latter process is effected is original, and the simplest yet discovered.

From the St John "Daily News."

PRACTICAL BOOK-KEEPING.—We have seen the advance sheets of a new work on Book-keeping now in course of publication by Messrs A. H. Eaton and J. C. P. Frazee, of the Commercial Colleges of this city and Halifax, which is worthy the notice of all teachers and heads of families from the fact that it is eminently practical, and unlike the majority of books which profess to teach the art of Book-keeping, yet only fill the mind of the student with a mass of material that can seldom be put to use, it presents in a plain, methodical, yet simple form, all the intricates and windings of monetary and business transactions and entries, from the rough Blotter to the Trial Balance Sheet, thoroughly illustrating every point, and enabling the dullest to completely master the art of keeping a full set of books. The work is being got out in a convenient form, and the mechanical part compares favourably with similar works from the houses of the great publishing centres. It is in every way just the book that has long been needed, and its excellence will, we feel assured, soon gain for it a wide circulation.

From the St John "Freeman."

EATON & FRAZEE'S BOOK-KEEPING.—The design of this work seems to be to elucidate the principles of double entry, and to exhibit the art as it is actually practised by the most experienced and intelligent accountants. Single entry is first introduced, and contains all the different kinds of forms and explanations generally met with in business. The books are then closed and changed to double entry; the same business is still continued. The principles of double entry are thoroughly and practically explained, so that it would be almost impossible for any one to study the work without being greatly benefitted in the science of accounts. A balance-sheet, showing the results of the double entry set, is certainly one of the best that has yet been introduced. Several examples in both Sterling and American Exchange are given. One of the easiest and most novel plans for converting Nova Scotia into Dominion currency is given. A book of this kind is very much needed, and we bespeak for it a wide circulation. The paper upon which the book is printed is of excellent quality, and the printing is well executed.